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Postwar Housing Policy and Administration in England and Wales

J. B. Cullingworth

[This article deals with the problems of organising the housing drive in England and Wales between 1945 and 1950 and describes the regional organisation introduced for this purpose and the relationship of the central government to local government. The problems of planning, control and executive decentralisation discussed in the article should be of special interest to our readers.—Ed.]

THE postwar housing shortage in Britain was immense. House building had almost ceased during the war years. Some 222,000 houses had been destroyed or damaged beyond repair. Approximately 3,523,500 different houses had sustained varying degrees of damage, and of these $\frac{1}{4}$ million were uninhabitable. Thus, in all, about $3\frac{3}{4}$ million houses had been either damaged or destroyed—constituting about 15% of the total number of houses.

Further, the population had increased by over 2 million.

These facts give some idea of the shortage in the *quantity* of houses. This, of course, ignores the *quality* of existing houses. $4\frac{3}{4}$ million houses were over 65 years old and of these $2\frac{1}{4}$ million were over 100 years old. Over 1 million people were living in slums.*

Whereas in 1939 the number of houses roughly equalled the number of families (approximately 11 million in England and Wales), in 1945 there were about $\frac{3}{4}$ million more families than houses. Apart from this very crude calculation,

* The figures refer to Britain, *i. e.* they include Scotland.

estimates of the shortage of houses varied greatly—from 3 to 12 millions.

Policy

One of the main policy decisions was that the great majority of houses should be built for letting at reasonable rents to families in the most urgent need. The criterion for the selection of tenants should be the urgency of their need, not their ability to pay. The building of houses for sale should therefore be strictly limited.

It was considered that State action was therefore essential. Statements were made in the House of Commons early in 1944—eighteen months before the end of the war—outlining the Government's policy; and in March 1945 a White Paper ("Housing" Cmd. 6609) was issued in which it was stated that the first two postwar years were to be treated "as a period of national emergency when exceptional measures must be taken to meet the housing shortage. Wherever possible these measures will be put into effect before the end of hostilities in Europe. The primary aim of the Government is to produce the largest practicable number of separate dwellings in this emergency period."

In 1945 the building labour force numbered 337,000—about a third of its pre-war strength. Steps were taken to increase it up to and beyond the pre-war total by special release from the Forces and by training schemes for apprentices.

A large proportion of the force was, in 1945, engaged on repairs of war damage in blitzed areas. Building activities in the rest of the country had slowed down or stopped. When the war ended the highest priority continued to be given to war damage repair. At first the magnitude of the problem was such that houses could only be given first aid repair and an emergency standard of "tolerable comfort" was aimed at. Only essential rooms were repaired and no decoration was undertaken unless it was essential for the protection of the work done.

Attempts were made to utilise to the fullest possible extent all existing accommodation. Householders with spare rooms were urgently requested to let them; the use for

non-residential purposes of housing accommodation was severely limited; local authorities' powers to requisition empty houses were extended; service camps and wartime hostels were adapted for temporary housing purposes, and, in London, temporary huts were erected as emergency accommodation.

Temporary Houses

It was realised—before the war had ended—that temporary accommodation would have to be provided on a large scale. It was necessary to fill the gap until the building industry could make good the accumulated shortage. Even if the maximum use were made of existing accommodation, and of camps, hostels and so on, a large gap would remain, and that would be made worse as demobilisation proceeded. A new source of supply was required which would be quickly expandable and would not delay the building of permanent houses, *i.e.* one which would make the minimum demand on the building industry. The considerations clearly pointed to factory made, "prefabricated" houses. The Housing (Temporary Accommodation) Act 1944, gave the Government power to spend up to £150 m. on the provision of temporary houses. Their production, transport and erection were undertaken by the Government, but in all other respects they were let and managed by the local authorities in the same way as permanent houses built by them. By December 1948, when the programme was completed, $\frac{1}{4}$ million had been completed.

Permanent Houses

A target of 220,000 houses completed by the end of the second postwar year was estimated by the Government to be the maximum possible, bearing in mind the availability of labour and building resources, the needs of other sectors (*e.g.* building for the export trade and for essential civil requirements), and the top priority accorded to war damage repair.

Production of Materials and Fitments

The production of materials and fitments remained in private hands, but the government made arrangements to ensure that supplies would be adequate to meet the programme

planned. It was intended that production should be "so timed that, so far as possible, progress will not be delayed by shortage of any essential parts" (White Paper on Housing, Cmd. 6609). The administrative machinery set up to deal with this is described below :

Administration

(A) Central Authorities

The government department responsible for Housing Policy had always been a Health department. The explanation of this—as of many other British administrative arrangements—is historical. Housing policy was an offspring of Sanitation policy. 19th Century "housing" legislation was concerned with slums—with people living in insanitary conditions. As such it was the obvious responsibility of a Health department. Although housing policy developed and became no longer merely a question of sanitation or public health, it remained a responsibility of the Health department until after the period under review. It was transferred to a new Ministry of Housing and Local Government in 1951. Recently there have been complaints that this was a mistake, and that Health and Housing should be the responsibility of a single department.

The total amount of capital investment to be devoted to housing was decided annually by the Cabinet. The Ministry of Health shared this investment among different areas on the basis of need, *i.e.* it allocated a number of houses to each of its regions.

The Ministry sanctioned the raising of loans by local authorities, approved houses for subsidy, gave guidance on house plans and on the layout of estates, and approved tenders for site works and house erection. Departmental control was very stringent in the immediate postwar years. Local authorities were understaffed, prices were fluid, and the supply of materials often fluctuated disconcertingly. In particular, there was a great danger of rising prices when a huge programme was embarked upon under conditions of short supply. (Up to March 31st 1946, 4,475 tenders submitted by local authorities were rejected because the prices quoted were too high.)

The Ministry was responsible for relating the housing programme to the conditions of supply. At the end of 1945, for example, it was found that the number of houses being started was beyond the capacity of the building industry. Steps were taken to balance the programme; fewer houses were started and labour and materials were spread in such a way as to expedite the completion of houses under construction.

The Ministry also determined the maximum size of the private house building programme. It was intended that private building should be allowed only where available labour and materials were not needed for local authority building. This was an essential corollary of the policy that the majority of houses should be built for letting at reasonable rents.

Much of this work was decentralised to regional offices. An account of the regional organisation is given in the following section.

Although the Ministry of Health had the responsibility for housing policy and the general execution of the housing programme, close co-operation with other departments was necessary.

The Ministry of Works was responsible for assessing requirements for labour and materials and for working out a programme for employing them to the best advantage having regard to urgent building work other than housing.

The Ministry of Works was itself responsible for ensuring supply of such basic building materials as bricks, cement, glass and joinery, but it also prepared in minute detail the requirements for other goods which were the responsibility of the Ministry of Supply (mainly engineering products) and the Board of Trade (*e.g.* timber and plant).

The Ministry of Works was also responsible for the production, transport and erection of temporary houses, and for controlling works which did not provide housing accommodation. Licences had to be obtained from the Ministry for works costing more than £100. Even for works which were allowed, a system of priorities was in operation (The Building Materials Priority Distribution Scheme).

Liaison between the Ministry of Health and the Ministry of Labour was maintained to ensure that the building programme was related to the availability of labour. The Ministry of Labour provided special training schemes for those wishing to enter the building industry.

(B) Regional Organisation of Central Departments

As the postwar housing problem was dealt with as an "emergency", new administrative machinery was required. Decentralisation was necessary to give the Ministry the detailed control needed to put into operation its carefully planned programme. It was also essential, under postwar conditions that local authorities should have advice and help readily available. A regional organisation was therefore set up. It was based on the wartime Civil Defence Regions, each of which had been designed to provide an independent unit of government in the event of invasion.

Day-to-day liaison with local authorities and supervision of their housing programmes was effected through the regional offices. There were ten of these each under a "Principal Housing Officer". These officers possessed considerable autonomous powers and dealt with all normal approvals. Every stage of a local authority's building programme was subject to a substantial measure of control by them. They had to refer to the Ministry only on matters of major policy.

Other departments concerned with housing such as the Ministries of Works and Labour also had regional offices. Problems of joint interest could therefore be discussed and settled quickly.

Various interdepartmental committees were responsible for assessing priorities, discussing common problems, co-ordinating activities, and so on. In particular, the Regional Building Committee was responsible for the oversight of the Regional Building Programme and for ensuring that the programme proceeded smoothly and according to the priority system. This Committee consisted of representatives of the Ministries of Labour, Health, Supply, the Board of Trade, with the Regional Director of the Ministry of Works as Chairman.

For administrative convenience, the Ministry of Works divided its regions into "zones" (representing roughly the areas within which building workers might be expected to travel daily to and from work), for each of which estimates were made of the available building labour force and expected demands. These estimates were discussed at "Zonal Conferences" at which annual housing programmes were discussed and decided by the Regional Building Committee in consultation with the local authorities concerned. The advantage of such a conference was that it enabled other building work in the "zone" to be related to the local authority housing programme, since, for example, the maximum amount of work that could be allowed by the Ministry of Works and the Local Authorities (by licensing) could be decided at the same time.

There were also Regional Advisory Committees which advised the Regional Director of the Ministry of Works on such matters as brick production (Area Brick Committees) and the working of the licensing system, labour supply etc. (Building and Civil Engineering Regional Joint Advisory Committees).

The above survey of regional organisation is not complete, but it gives some idea of the administrative machinery set up to ensure that the policy decided by the Government would, in practice, be related to local problems.

(C) Local Authorities

As stated above, the government decided that the majority of houses should be built for letting at reasonable rents to families in the most urgent need.

The following passage from the 1946 Report of the Ministry of Health (Cmd. 7119) explains the reasons for this and for the decision that local authorities should be the main house providing agency :

"As it was impossible to meet all housing needs at once, an order of priorities had to be adopted. First and foremost came, by Government decision, the needs of those who were living under the worst conditions. The great majority of these were among the

lower income groups of the population, and their needs could only be met by an agency which was in a position to select occupants according to the degree of hardships they were enduring, irrespective of the amount they could afford to pay. Local authorities provided such an agency; hence the concentration on the building of houses for letting by local authorities, with private enterprise, which normally builds mainly for sale, paying a subsidiary part."

It should be added that many local authorities had had experience of providing houses in the inter-war years.

Provision was made for the Government to take over part of a local authority's house building if requested by that local authority. It was envisaged that this might be necessary in areas which had suffered extensive bomb damage and where the authority's resources were strained to the utmost.

Houses were rarely built by the local authorities themselves. Usually they were built by private builders under contract. Tender prices were, of course, subject to approval by the regional housing officer of the Ministry of Health. The local authorities let the houses at rents fixed to cover loan charges and maintenance, less the subsidy.

Finance

Local authorities financed their building by borrowing from the Public Works Loan Board, which was financed by the Exchequer. This was the usual way in which local authorities raised money for capital expenditure which could not be met out of current revenue. Repayment period varied according to the estimated useful life of the particular asset : in the case of houses it was 60 years.

In order to keep rents at a reasonable level subsidies were given for each house built. The financial responsibility for these was shared between the State and the local authority. Briefly, the basis of the arrangements was that an annual deficit was estimated on a "standard" three-bedroomed house, and this deficit was borne by the State and the local authority in the ratio of 3 to 1. In 1946 the capital cost of this "standard house" was estimated at £1,100; maintenance costs

etc. were estimated at £7.8s. a year and a national rent was fixed at 10/- a week. (This was accepted as being a reasonable rent and was arrived at by taking 10% of average wages.)

On these figures an annual deficit was expected of £22 per house per year. A subsidy of this amount therefore was given for each house built. The State contributed £16.10s. (from general taxation) and the local authority £5.10s. (from local rates).

These figures were reviewed annually to take account of changes in prices, interest rates etc.

By 1952 the position was as follows :

Estimated Cost of Standard House 1525£

Loan Charges (interest $4\frac{1}{4}\%$) over

60 years

£70. 9. 3

Maintenance etc.

12. 0. 0

£82. 9. 3

National Rent

(10% of average wages)

46. 16. 0

Deficit

£35. 13. 3

The subsidy was fixed at £35.12.0 divided between the State (£26.14) and the L.A. (£8.18).

Subsidies for flats, houses built for agricultural workers etc. were higher.

Housing Progress

The table on page 110 shows housing progress up to the end of 1950. The number of new permanent houses completed reached the highest annual figure in 1948. In part this was due to a very high rate of completions. Efforts were made to get sufficient new houses under construction to balance the number completed, but it was not until the beginning of 1949 that a stable position was reached. This position of stability produced about 170,000 houses annually until 1951.

Temporary houses, conversions and war damage repair reached a peak in 1946 and thereafter declined. This, of course, was the time when the new building programme began to expand greatly.

By December 1950, over $1\frac{1}{4}$ million new "family units of accommodation" had been provided in England and Wales. (A further 136,000 had been provided in Scotland.)

HOUSING PROGRESS (ENGLAND & WALES)

	New Permanent Houses	Temporary Houses	Conversions and Adaptions	Repair of Unoccupied War damaged Houses	Tem- porary Huts	Service Camps	Requisi- tioned Houses	Total New "Family Units" of Accom. Provided	Repair of Occupied Dwellings † (Year Ending March)
1945	1,445	8,939	8,606	60,817	2,822	—	15,078	97,707	750,000*
1946	51,090	70,931	35,994	46,420	658	9,241	10,233	224,567	519,000
1947	127,541	34,351	35,027	19,774	—	4,967	2,464	224,124	178,000
1948	206,405	10,746	27,273	9,799	—	5,541	—1,247	258,517	69,553
1949	171,780	3	13,555	4,844	—439	1,734	—2,505	188,972	7,982
1950	172,360	—	8,766	2,767	—189	2,126	—3,086	182,714	124
TOTAL	730,621	124,970	129,191	144,421	2,852	23,609	20,937	1,176,601	1,524,000

† Excluding those privately repaired.

* Total Occupied and Unoccupied Dwellings repaired up to March 1945.

Sources : Housing Returns
Ministry of Health Annual Returns.

Govt. enterprise - Admin. - India

Administration of Nationalised Undertakings

R. G. Saraiya

UNDER the Second Five Year Plan, a more important role has been assigned to the public sector than to the private sector for securing the industrial development of the country. "The public sector is to grow absolutely and relatively to the private sector. Programmes of industrial development during the second plan place on the Government responsibility, amongst other things, for new steel plants, coal mines, heavy machine building factories, fertilizer factories, manufacture of heavy electrical equipment and oil exploration and development. The comparative figures of investment during the first and the second plans are an indication of the growing responsibilities of Government in the management of modern industry. The decision to set up a State trading corporation is another illustration of the rapidly increasing area in which the Government has to equip itself with personnel and to create organisations not only for tasks to be undertaken during the next few years but a preparation for even larger responsibilities to be shouldered in the future. Besides industrial projects which the Government directly operates, there are also a number of schemes of industrial expansion with which it is closely associated. Organisations for preparing designs of industrial plant and equipment have to be built up within the Government. Personnel has also to be found for assisting development councils established for individual industries under the Industries (Development and Regulation) Act 1951."*

There may be differences of opinion whether all that is put in the public sector in the plan should be there; but there can be no two opinions that whatever is undertaken in the public sector should be efficiently managed. It is necessary, therefore, to examine what special problems and difficulties arise in the administration of nationalised undertakings. An

* *Second Five Year Plan*, New Delhi, Planning Commission, 1956, Chapter VI, Para 17 (p. 136).

attempt is made in this article to initiate a discussion of these matters.

II

For a proper discussion of any topic, it is necessary to be clear about the sense in which the important expressions are used. An "undertaking" is established for purposes of supplying a service or an industrial product. A "nationalised undertaking" is one which is wholly or for the greater part owned by the State and where the State lays down the objectives and policies and controls the working. Broadly, there are two methods of managing nationalised undertakings :—

- (a) Departmental management as in the case of the Posts and Telegraphs Department, Railways, Ordnance Factories, Government Presses, Mints, etc.
- (b) Management as statutory corporations, or joint stock companies with Government as the sole or the principal shareholder, *e.g.*, the Industrial Finance Corporation, the Indian Airlines Corporation, the Sindri Fertilizers Ltd., the Hindustan Machine Tools Ltd., the Hindustan Shipyard Ltd., the Bharat Electronics Ltd., etc.

In this article, the term "nationalised undertaking" is used only to denote the last mentioned category, *i.e.* statutory corporations and government companies. These occupy a position midway between private business and Government departments. They seek to take what is the best of the former and at the same time to function as effective instruments of State policy.

The term "administration" can be used in many senses, some too narrow and others too wide. In the present context it connotes "the guidance, leadership, and control of the efforts of a group of individuals toward some common goal."* "Clearly, the good administrator is one who enables the group to achieve its objectives with a minimum expenditure of resources and effort and the least interference with other worthwhile activities." The functions of the administrator viewed in this broader sense include problems of organising,

* Administrative Action—The Techniques of Organisation and Management ; William H. Newman, New York, 1951, Prentice Hall p.4.

of selecting executives, of establishing plans, of measuring results and of controlling and coordinating activities with a view to attaining certain already agreed-upon ends. Under this concept 'human engineering' and 'human relations' constitute the most important function of the administrator.

Certain basic qualities and attributes are needed in all who are engaged in public administration. They include, general intelligence, clarity of thought and expression, grasp of detail, perseverance, moral integrity and impartiality, initiative and leadership. For the purpose of the present discussion it is unnecessary to dwell on them. The administration of nationalised undertakings calls for certain other special attitudes and talents which are not ordinarily needed for the duties of a 'general administrator', and they are closely related to the special characteristics of nationalised undertakings.

III

A nationalised undertaking has to provide service or industrial product in an efficient manner at a cost or price consistent with other objectives of State policy. It must, therefore, be run on business principles. Most of the statutes creating the corporations expressly lay down that their affairs will be conducted on business principles. For instance, the Road Transport Corporation Act 1950, provides that "it shall be the general principles of a corporation that in carrying on its undertaking it shall act on business principles." Similarly, the State Bank of India Act 1955, prescribes that "the Central Board in discharging its functions shall act on business principles, regard being had to public interest." The Air Corporations Act 1953, lays down that "in carrying out any of the duties vested in it by this Act each of the Corporations shall act so far as may be on business principles." The Industrial Finance Corporation Act 1948, also provides that "The Board (of Directors) in discharging its functions shall act on business principles due regard being had by it to the interests of industry, commerce and the general public."

What, then, are these 'business principles' on which so much stress is laid? In effect, 'business principles' mean that the enterprises are not charitable or philanthropic bodies; they are not meant to provide a product or a service free of

cost or at the cost of the tax-payer; they should meet all their working expenses; they should pay interest on capital, both equity capital and borrowed capital; and they should also provide for the loss of capital due to wear and tear and obsolescence, by setting aside funds from their revenues for depreciation and replacement. They should further be able to write off bad debts when they arise. As the Corporations will have to face good as well as bad times, they should be able to build up reserves in good times so that they can draw on them in bad times without transferring the burden on the tax-payer. As an increasing proportion of the economic activity of the country is going to be conducted by the State and managed through State Corporations, these corporations should not escape liability to income-tax.

A corollary of the application of the business principles to nationalised undertakings is the need to have better public relations than in the case of departmental management. A good businessman has to be far-sighted, he has need to build up reserves for a rainy day, and also to cultivate and earn the goodwill of his customers. The best of the businessmen have generally not looked to immediate profit but to long term goodwill and stability. A good business administrator would not insist on his pound of flesh, impose the extreme penalty to which he may be entitled to in a contract, or try to escape his obligations under a contract on legal technicalities. To quote an example, good businessmen do not, as a rule, contest a claim on the ground merely of its being time-barred by the law of limitation; nor do they take advantage of a genuine error in a quotation or a term of delivery. Similarly, a first class banker will not insist on his rights under the letter of the law and take his clients to liquidation or insolvency, but will try to see his customers through periods of difficulty. Many British banks in India have earned the goodwill and permanent loyalty of their clients by looking after them in times of depression or adversity. Nor would an advanced business house exploit its position of monopoly or near-monopoly by supplying a service or a product at the highest possible price to the consumer. Over the last quarter of the century there have been instances of businessmen with the narrow outlook coming to grief while those with a broad and more humane outlook surviving and flourishing. The need to observe and emulate the good points of enlightened business practice is all the greater because in a Public Corporation with the might of the State behind it, and the sword of Damocles of the "audit

objection" hanging over it, there is a real danger of developing a wooden, legalistic approach to the interpretation of contracts and agreements. Such an attitude is likely to result either in higher costs, as the other side to the contract or agreement will ask for more in order to protect itself, or what is more likely, in temptations to corruption.

Good public relations are also important for another reason. In the days of the British Government, the role of the administrator was comparatively simple. The Government officer had to carry out well-chalked out instructions and he was the law. He was seldom wrong, but the public could be wrong more often. He therefore could manage to be a little high-handed if possible or if necessary, and it was not his business to adjust himself to the public from time to time but it was the public's business to humour him. But with the coming in of democracy and the establishment of a Welfare State, the attitude of the administrator has got to change. He is not merely the custodian of the law. He is also the servant of the people in the best sense of the term. He has to cater to the needs of the public and evaluate the work which he does, in the light of the results which he achieves and the public co-operation he wins.

IV

Quickness of decision and flexibility of operations are two basic elements which are fundamental to the success of a business-like enterprise. While the main object of nationalising certain private enterprises is to enable the State to carry out its economic and social policies effectively, the purpose of giving them a legal corpus and an independent form is to provide for necessary financial and operational freedom. In the internal administration of public corporations, therefore, it would be no use if all the rules and regulations of Government services are copied and the men who run the enterprise are thus tied up with procedures evolved over a period of centuries. The tendency, which is at present somewhat noticeable, to copy these procedures in big institutions in the public sector may prove fatal to their development. If the corporations are to do valuable work, rules and procedures should be simpler and fewer than in Government departments and an attempt should not be made to provide for every possible contingency by drafting a rule for it. In fact, there is ground for hoping that simpler rules and

procedures evolved for organisations in the public sector will have a salutary effect on the working of Government departments.

The need for quickness of decision and action in public enterprises must be specially stressed. In a dynamic economy decisions about prices of goods to be brought and sold cannot await the convenience of procedures, consultations and committees, or reference to very 'high level' in New Delhi. It will not always be possible for the administrator to examine in detail all about every possible product or machine which can be offered. But he will have to develop a broad judgment and learn to take decisions on the basis of easily available data. It is no use condemning the officers responsible for these quick decisions, by being wise after the event. For example, many institutions decided to increase their stock-piles when it seemed likely that the Korean war would be prolonged and extended. Fortunately, this did not happen and the increased stockpiles had to be written down. The very critics who cried loudly against this error of judgment would have cried more loudly if the Korean war had extended and these public services and institutions were found wanting in stocks. Distrust of each other, whether of businessmen or government officers, is almost becoming a national weakness which is likely to retard our progress.

Quick decisions are also important in dealings with employees. Reward and punishment given too late lose their effect and value. The decision must be taken quickly whether it be punishment or promotion, and the administrator should have the opportunity and discretion to do so; at the same time he should have the capacity to deal with human beings in a perfectly human way. He should be able to tackle the human problem of welding a very large number of employees into efficient and loyal teams imbued with zeal with a view to providing the community with good service at an economical cost.

For taking quick and correct decisions, an administrator has necessarily to cultivate the habit of taking risks. He will not always have a precedent or a rule to quote when he is running a public undertaking because there would be many situations without precedent. While he is liable to make mistakes as all the factors affecting a course of action will not be known, a decision will, all the same, have to be taken. In the matter of purchases and sales, for example, it will be easy

for a future economic adviser to criticise, but it will not be easy or even possible for the administrator always to anticipate correctly all the developments and to take always the right decisions regarding prices, purchase and sale. He has, therefore, got to take risks.

Quick and correct decisions on the part of administrators in nationalised undertakings call for financial realism and moral courage of a high order. The manager-administrator can ill-afford to ignore the lessons of accounts and balance sheets : he should know that two plus two is always four. The administrator will be exposed to a good deal of political pressure either to bring down the price of a product or the price of a service; he should have the strength of character to resist this. Unless a product or a service is to be openly subsidised as State policy, the administrator should see that the full cost of the product or service is charged.

Similarly, those who are in charge of nationalised undertakings should have the courage to place their candid views without any reservation before the Government in the matter of appointments, pricing, purchasing, contracts, and the like. The businessman is sometimes short-sighted and looks at the immediate profit. The administrator and the salary-earner can also be equally short-sighted if he looks up to some immediate reward from his superior officer or minister. There is great danger in having 'yes' men in charge of big undertakings. People who are in charge and who will be in charge of public undertakings should have the courage to stand up and say what they feel about the decisions which may be imposed on them by their superiors. They should also identify themselves with their undertakings so that they can always clearly voice what is best for their public enterprise. It is possible that they may be overruled in the interest of public policy or political pressure, but they should not let the case of the undertaking go by default.

V

What is the best source for securing an administrator who will be able to manage a nationalised undertaking and deliver the goods? There is a good deal of controversy in this connection. Some of the largest organisations in the U.S.A. are now veering round to the view that he should be a lawyer or a businessman. At the same time one should

not exclude scientists, engineers and others if they have the necessary management talents and outlook. This is a controversy on which the last word has not been said, and accordingly for the present, the approach should necessarily be pragmatic, *i.e.* one of trial and error. Managerial and executive talent should be picked up wherever it is found, without any prejudice or pre-conceived notions.

It is interesting to note that the Government of India have recently decided "to establish an Industrial Management Service, for staffing State enterprises under the Ministries of Production, Transport, Communications, Iron and Steel and Commerce and Industry. The Industrial Management Service is intended to provide managerial personnel for industrial undertakings needed, for instance, for general management, finance and accounts (except top level posts), sales, purchases, stores, transportation, personnel management and welfare, town administration, etc. Recruitment to this Service will be made from within the public services as well as from outside. At lower levels arrangements are to be made for the purpose of training personnel who will be able to assume higher responsibilities at a later stage. The controlling authority for this Service would be the Home Ministry and it will be advised by a Board which will include the Cabinet Secretary and representatives of the Ministries concerned. It is also the intention that public enterprises should be required to recruit extra personnel against supernumerary posts at lower levels in order to provide in due course for the long-term needs of the expanding public sector. The Service should also be able to provide higher grades of personnel for Industries Departments in the States whose operations especially in the field of small, medium and co-operative industries will steadily increase. In regard to technical personnel, a proposal to set up a technical cadre or cadres to man certain categories of technical and specialised posts in the State industrial undertakings is under consideration."*

While a specialised cadre of manager-administrator would be useful, there is the danger of rules, regulations and procedures defeating the very object of the "management pool." Where a regular service is established, there would be a tendency to take 'safe' decisions and towards promotions on

* Ibid, Para 18 (pp. 136-37)

the basis of seniority and little reward for special merit or work. In free enterprise, keen competition and payment by results often bring out the best in the management personnel. There is also the identity of interest on the part of the best management personnel with their undertakings. One may well wonder whether patriotic zeal and devotion to duty will provide sufficient incentives in the "management pool" ?

The existing facilities in India for training in Business Management are singularly inadequate. The Universities of Bombay, Calcutta and Delhi have recently started courses in Business Management as an experimental measure. These courses are open to business executives and a few others; extend over a period of 2 to 3 years and are held in evening classes. In addition, Management Associations have recently been established in Calcutta, Bangalore, Bombay and Delhi. There is also a proposal to establish an Administrative Staff College which will bring together senior executives from private industry, public sector, and government for exchange of ideas and experience in administrative practices and techniques. A point to remember is that the training of an administrator is a live process; it is not merely education by collecting information and passing an examination. This applies with even greater force to the training of administrators for nationalised undertakings.

VI

In conclusion, it may be observed that the administration of the nationalised undertakings resembles general administration in many respects; but it differs also in many others. Manager-administrators have to face special problems the solution of which requires a basic knowledge of the rules of economics and of industrial and commercial practice, a sense of financial realism, *i.e.* the operation of public enterprises strictly on business principles except where the State policy specifically requires its modification, action-mindedness and capacity to take quick decisions, executive ability to manage large groups of human beings, far-sightedness and amiability to maintain good public relations and courage and integrity to render objective and impartial advice. While some of these qualities and attributes are innate and cannot be acquired if they are not already present in the individual and competence in the management of nationalised undertakings can be attained only by experience, the development of many

of these administrative and managerial talents can be quickened by proper education and training. That the Government is alive to the problem of such training and education is evident from the attention which it is devoting to the proposals concerning the establishment of the Industrial Management Service and the Administrative Staff College. But whether the nationalised undertakings will be allowed the necessary operational freedom from Government regulations and control and not reduced to the level of departmental management is still a moot question. The success of public enterprise naturally depends as much on the former as on the latter. Unless the proposed Industrial Management Service contains *a fair proportion* of personnel experienced in the traditions and practices of private industry, it is doubtful if the Service as a whole will learn to combine the best elements of free private enterprise and the public service.



“The field of administration is a field of business. It is removed from the hurry and strife of politics; it at most points stands apart even from the debatable ground of constitutional study. It is a part of political life only as the methods of counting-house are a part of the life of society; only as machinery is part of the manufactured product. But it is, at the same time, raised very far above the dull level of mere technical detail by the fact that through its greater principles it is directly connected with the lasting maxims of political wisdom, the permanent truths of political progress”.

—WOODROW WILSON

(in *‘The Study of Public Administration’*)

A Forward Look in Personnel Administration*

Philip Young

MY theme this morning—a forward look in personnel administration—should not be taken as an indication that I have cast myself in the role of prophet. My desire is not to attempt to tell you what lies ahead, but to emphasize the importance of maintaining a forward look in all aspects of Federal personnel management.

From the beginning, this Administration has sought to build a stronger career merit system and a more effective public service—not for the present alone, but for the long-range future. The forward look characterizes all the major achievements of the past three years : the career-conditional appointment system, decentralization, executive development, in-service training, manpower planning, college-level recruitment, and the establishment of a worldwide career service; as well as group life insurance, incentive awards, unemployment compensation, and many other employee benefits.

The forward look is also the key to our current legislative proposals : improvements in the Federal retirement system, major medical expense insurance for Federal employees, authorization for outside-Government training, and an increase in the salary scale for top executive positions.

The Role of Personnel Administration in Modern Government

We are not alone, I am glad to say, in our desire to look ahead, and the Commission continues to be the recipient of advice and recommendations from various sources, both within and outside the Government, on the improvement of Federal personnel administration. Many of these recommendations are related in one way or another to the Civil Service

* From an Address at the 1956 Annual Conference of the Society for Personnel Administration, Washington, D. C., on May 16, 1956.

Commission's position in relation to the other agencies of the Government, to the Chief Executive, and to the Congress. I think it is important in considering any of these recommendations that we strive to maintain a clear understanding and a consistent application of the basic objectives of public personnel administration.

I have been frequently referred to, because of my dual role as Chairman of the Commission and as adviser to the President on personnel management, as a man who wears two hats. If you will permit me, I would like to lay aside both hats for a few minutes, and speak for myself alone.

I believe that any step that increases the distance between the central personnel agency and the Chief Executive is a step backward. The idea that the agency responsible for administration of a merit system should be "independent" is a survival of the early civil-service reform days, when any contact with the Executive was presumed to carry the danger of pollution by the spoils system. *The separation of the personnel function from operating management is out of place in modern Government.* Personnel management has become an essential part of management as a whole, and as such should be integrated as closely as possible with the total management function. *The formulation and direction of personnel policy should emanate from the Chief Executive's office and carry the same force and effect as the formulation and direction of fiscal and budget policy.*

Protection of the merit system is still an important (though by no means the only) function of the Civil Service Commission. But it has long since ceased to be a purely negative, or policing, function. Properly administered, it has a constructive purpose—not to act as a check on management, but to help management do a better job. Adherence to the merit system is an accepted feature of good public personnel administration today, and is best carried out under strong executive leadership. And the *ultimate* protection of the merit system, of course, lies in an informed public opinion. This is as true today as it was in 1882, when a Senator declared: "No administration, no party, is strong enough to defy successfully the public voice." This statement was made during debate in the Senate on the Pendleton Bill, which became the Civil Service Act of 1883.

In the same debate we find evidence that the need for

a close relationship between the Chief Executive and the central personnel agency was recognized. A Senator commented on the purpose of the proposed Civil Service Commission as follows :

It is to aid the Executive in the execution of his great executive functions. Nobody on this floor would undertake to say that Congress would have the power to establish a distinct, separate, independent power in opposition to the President..... This commission is to aid him in carrying out the principles of this bill, not to place there a power in antagonism to the Executive, but a power that will be in sympathy with him and to cooperate with him for the purpose indicated.

Similar expressions of opinion appear at frequent intervals throughout the 73-year history of the Federal civil service. In 1937, for example, a Presidential committee making a study of administrative management in the Federal Government said :

A satisfactory central personnel agency would occupy a position exceedingly close to the Chief Executive. Such an agency cannot develop its highest usefulness without the active interest and support of the Chief Executive, and he, in turn, cannot perform his important personnel functions in a satisfactory manner without the constant assistance of a central personnel agency worthy of his respect. Personnel management is an essential element of executive management. To set it apart or to organise it in a manner unsuited to serve the needs of the Chief Executive and the executive establishments is to render it impotent and ineffective.

The management of a central personnel agency may take various forms, ranging all the way from a single personnel administrator to a multi-member commission, with or without a division of responsibilities among its members. It is interesting to note that among non-Federal jurisdictions, the New York City and New York State Civil Service Commissions and the California State Personnel Board, the three largest in the country with thoroughgoing merit systems, have adopted the type of organization under which the chairman is responsible for administrative direction of the agency and the other commissioners share the policy-making and appellate

functions. This has been the organizational pattern of the United States Civil Service Commission since 1949, when it was adopted and approved by the Congress pursuant to a recommendation of the first Hoover Commission. Coupled with the internal reorganization of three years ago, it has increased the effectiveness of the Commission's operations.

The present relationship of the White House and the Civil Service Commission results from the dual role of the Commission's chairman, as created by Executive order in 1953. This relationship has placed the full weight of the executive branch behind the proposals advanced by the Commission for the improvement of personnel management. It has identified the personnel function with the Chief Executive, as an essential part of executive management. It has brought increased stature and prestige to the Government's personnel programme. It has been invaluable both in the development and in the execution of such major improvements as the career-conditional appointment system, the college-level recruiting programme, manpower planning, executive development, and many others. At the same time, the independence of the executive agencies' relations with the Post Office and Civil Service Committees of the Congress has been preserved.

I do not say that the "two-hat system" is necessarily the *ideal* way of achieving closer integration of the personnel function with top executive management, but I do say that it works, so long as it is kept completely free, in its White House aspect, from the political area of appointment. I should not like to see it abandoned unless it were to be replaced with something that would serve the same purpose even more effectively.

Senior Civil Service

As you know, the source of many of the most significant recent recommendations with respect to Federal personnel administration has been the Hoover Commission of 1955. Among these I want to call particular attention to one that the President of the United States has characterized as "one of the most far-reaching and imaginative proposals made by the Commission." This is the recommendation for the establishment of a Senior Civil Service, a programme for the filling of the highest career posts in Government and for the continued development and improvement of competency and skills at that level. The Senior Civil Service as conceived by the Hoover

Commission would provide "a designated group of highly qualified administrators whose competence, integrity, and faithfulness have been amply demonstrated; who will make it easier for non-career executives to discharge their responsibilities; and who will add to the smoothness, effectiveness, and economy of governmental operations."

Supplementary to these basic purposes of the Senior Civil Service are the objectives of providing the necessary top-level resources for emergency assignments, broadening the point of view of career executives, making better use of the competence of these top career people, making the civil service in general more attractive to both present and potential career employees, and providing the continuity of administration that is required by the long-range programmes of modern Government.

I am sure that by now many of you are well acquainted with the essential features of the Senior Civil Service idea. Members of the group would have rank and status vested in them as individuals, with emphasis on the person rather than the position, and they would be employees of the Government as a whole instead of having their tenure tied up entirely with a given assignment in a particular agency.

While they would have some obligation to serve wherever needed, it would not necessarily follow that members of this group would be "whirling dervishes" assigned willy-nilly from one place to another without regard to continuity or to their particular aptitudes and skills. The flexibility of the group would, however, permit practical application of the fact that a top career executive who has had experience in more than one line of job and perhaps in more than one agency is a more useful career administrator to the Government as a whole than one who has been identified for all of his career with a single function, a single programme, or a single organization. At the same time, it would mean more challenging work opportunities and more promising avenues of advancement for our topmost career people.

I feel certain that it was not contemplated by the Hoover Commission that senior civil servants would be rotated from one kind of assignment to another that would be remote from their own interest or capacity. Neither would there be an effort to convert specialists into generalists who could serve in any post of any kind regardless of its subject-matter

emphasis. No one to my knowledge has seriously suggested that a physicist be put in charge of an economic regulatory activity, or that a personnel man be put in a position of mathematician. What is contemplated, I presume, is the broadening of the experience and the perspective of senior career people within particular agencies or within certain functional areas that cut across agencies. Examples of what I mean by functional areas would be such activities as natural resource development, economic regulation, scientific research and development, insurance and retirement programmes, and of course the management services that exist in all agencies.

It is important to remember that members of this career group would be expected to maintain the same high degree of political neutrality that is expected of all career civil servants. They would be working in close relationship with the politically appointed management of Government agencies, but they would not identify themselves with particular partisan considerations. The very fact that they would be selected and assigned because of the breadth of their background and experience would help to broaden the basis of their motivation, and would help to insure that their identification would be with broad democratic values and the general interest of the public service. This concept of political neutrality would call for a professional approach to problems of administration regardless of what political leadership was in control of the Government at a given time.

To operate this Senior Civil Service, the Hoover Commission proposed the establishment of a Senior Civil Service Board of high-ranking persons who would be appointed by the President and would assist the Chairman of the Civil Service Commission in making the assignment and training programmes for senior career people work effectively. Furthermore, the Hoover Commission conceived of additional rewards in the form of pay and retirement benefits, and of top recognition in the form of Presidential commissions, for all career persons who were selected for the Senior Civil Service.

Most people who have given thought to the subject have praised the objectives of this far-reaching proposal. Nevertheless, many have recognized that such objectives cannot be achieved overnight even under the best of circumstances. To be fully effective, such an idea needs the support not only of political management in the Federal service but of the career

service itself. Certain features of the proposal could not be put into effect without legislative authority.

However, we are now moving forward as rapidly as possible to give the Federal service the benefit of those features that do not require new legislation. Over a period of months a plan embodying the nonlegislative aspects of the Senior Civil Service proposal has been presented formally by myself and others to more than a dozen groups at various levels of Government. In addition to these discussions, agencies have all had the opportunity to comment on the plan, and there is now in preparation an Executive order to put it into effect.

I believe that the present plan will carry the development of the Senior Civil Service as far as can be done under existing authorities. It will incorporate the following features of the Hoover Commission recommendation :

1. Creation of a Senior Civil Service Development Committee to act in an advisory capacity to the Civil Service Commission and to the President.
2. High standards of selection for members of the Senior Civil Service, including a minimum number of years in the career service.
3. Presidential commissions for those selected.
4. Political neutrality of Senior Civil Servants.
5. Obligation of Senior Civil Servants to serve where most needed.
6. A code of ethics for the Senior Civil Service.
7. Periodic review of the progress of individual members.
8. Advancement within the Senior Civil Service, and "selection-out", under prescribed standards.
9. Flexibility in assignment.
10. Extensive executive development opportunities for members of the group.

When sufficient experience has been acquired with this programme to support them, legislative proposals along the lines recommended by the Hoover Commission will be developed.

Flexibility Under the Classification System

To many people who are acquainted with the Federal job-classification system, the concept of "rank in the man" rather than "rank in the job" seems the most revolutionary feature of the Senior Civil Service as proposed by the Hoover Commission. It is true that the Federal personnel system has been criticized as being "job oriented" rather than "employee oriented." But granted that our system operates within a fixed framework, I wonder whether everyone concerned realizes the degree of flexibility that we have built into the system in recent years. Very briefly I should like to mention some of the features that bring our system closer to the "rank in the man" concept than may be generally realized.

First, there is the long-standing authority for Federal operating officials to detail employees on a trial-run basis. Under this authority a promising junior can be tried out in a job at a higher grade or in a different line of work to see if he has the potential for permanent appointment to the job. This authority is also valuable in providing flexibility to meet emergency work loads.

Next, there is a kind of flexibility that might be called "finding the man and fitting the job around him." For example, recruiters for a Federal scientific laboratory, in seeking a specialist in a certain field at a certain grade, may find instead a highly qualified scientist who is available at a different grade and in a different speciality. If his speciality is needed for another one of the laboratory's planned projects, an appropriate job assignment for which he is qualified can be developed, and he can be hired to carry out that assignment. This is a perfectly legitimate way of operating under the Federal personnel system, provided always that there is authorized work of the appropriate kind and that the candidate meets the qualification standards.

A related kind of flexibility comes from the fact that an outstanding scientific or professional worker inevitably attracts to himself projects of progressively greater significance. As his job increases in this way, his classification can be adjusted accordingly. Thus the rank of the job grows with the increasing stature of the man.

In this connection, incidentally, I might make a brief comment on the idea I have heard expressed by some operating

officials, including professional people, that they are strait-jacketed by the classification system; that the system in some way restricts them in the assignment of duties and responsibilities to their employees. My comment is this: Neither the Classification Act nor any Commission regulation in connection with it prescribes a single duty or responsibility for any position. The assignment of duties and responsibilities is the sole prerogative of management, and classification enters the picture only after management has determined what those duties and responsibilities are.

Getting back to flexibility in assignment, this can also be provided by means of training and promotion agreements between the employing agency and the Commission, both for developing potential managers and executives and for broadening the experience of scientific and professional personnel.

In the Federal service there is a growing awareness of the importance of the contributions and the potential of individual employees. I urge all of you in the personnel field to inform yourselves fully of the various ways in which we can recognize rank in the man as well as rank in the job, and to apply them where it is appropriate.

Accomplishment of Hoover Commission Objectives

In connection with the Hoover Commission report, I feel very strongly that the American people are entitled to know the score. It is the natural thing for all of us to devote the major part of our thought and discussion to those items in the Hoover recommendations on which further action remains to be taken. And from one standpoint, it makes sense to concentrate our attention on the matters not yet attained.

From another standpoint, however, we lose a substantial part of the value of our achievements if we rush forward so zealously to take the next hill that we fail to capitalize on what has been done. Ultimately our purpose is to recruit and retain a high-quality Federal work force. Now the most attractive personnel system in the world could be completely ineffective if people didn't *know* it was attractive. Therefore we are not doing a complete job if we present the Federal personnel picture only in terms of what has *not* been done. We must continually strive to bring more fully to public attention the highly significant accomplishments of the past few years that are closely related to the recommendations, and

carry out many of the objectives, of the Hoover Commission.

For example, new vigour has been injected into the Commission's recruiting techniques in connection with the Federal-Service Entrance Examination. Most of you, I am sure, are familiar with the details of this examination—and with the facts that more than 50,000 applications have been received and that we are now scheduling the written tests on a monthly basis. The public acceptance of this examination weighs heavily for us on the prestige side of the scale, and we should do our utmost to obtain recognition of our achievement in this important area of the Hoover Commission recommendations.

Take another major area that was stressed by the Hoover Commission : employee training. By direction of the President I issued a policy statement on in-service training to the heads of all agencies in January of 1955. This was the first time a clear policy had ever been promulgated in the training area. Since that time the Civil Service Commission has negotiated 18 new training agreements with departments and agencies. Furthermore, I must point out again that we have drafted and submitted to the Congress—and are awaiting action on—a bill to provide for the training of Federal employees outside the Government.

Our recent extension of the competitive civil service for the first time in history to Federal positions in foreign countries and U.S. Territories and possessions marks achievement of another very important recommendation of the Hoover Commission. This is the most solid and far-reaching extension of the merit system in many years, affecting 30,000 positions.

These are just a few examples of outstanding achievement parallel to the recommendations of the Hoover Commission. Implementation of other recommendations is currently going forward. For instance, in line with the recommendation emphasizing the need for maximum co-ordination of wage-board systems, I have just approved a memorandum which will go out shortly to heads of departments and agencies. In general, this memorandum will request agencies to exercise their administrative authorities in co-operation with the Civil Service Commission to secure greater consistency in wage-board operations.

We are preparing a full analysis for our use and yours in giving the public the whole picture on implementation of the Hoover Commission recommendations with respect to personnel management. This follow-through is essential if we are to capitalize on the prestige and recruitment value of the excellent new elements in our career-service programme.

Scientist and Engineer Shortage

We cannot look very far forward—indeed, we cannot look around us at all—without encountering the complex problem of the shortage of scientists and engineers. The supply of scientists and engineers is inadequate. In relation to demand, it is growing smaller each day. This shortage is acute; it is qualitative as well as quantitative; and it is national in scope. Government, as a major employer of scientists and engineers, is feeling the pinch. Some agencies want authority to set their own salaries without regard to other Federal pay scales. The Interdepartmental Committee on Scientific Research and Development recently presented a formal resolution to the President, urging legislation to authorize “competitive pay and benefits” for Federal scientists and engineers.

I am convinced that there must be some adjustments in pay. The Commission is supporting agency requests for an increased number of supergrade positions and an additional number of professional and scientific research and development positions under Public Law 313. The executive pay bill recommended by the Administration would provide some relief, not only for the specific individual positions under the Executive Pay Act, but also for grade GS-18 and the special group of research and development positions.

When acute shortages exist on a national scale, as they do in science and engineering today, problems and relationships become exceedingly difficult. I am deeply concerned, for example, about the reciprocal impact of the personnel policies and practices of the Federal Government and its contractors. Present data indicate that scientists and engineers working on Government contracts receive substantially higher pay than those working directly for the Government. We are competing with ourselves and so creating a spiral in which Federal employees are too frequently at a disadvantage. We need to find a way of resolving this problem. I am not

proposing any controls, but I do feel that Federal procurement offices contracting for scientific research work may have an obligation to consider the impact of the salaries paid by their contractors on salaries in the whole field.

However, while pay is a basic factor, we cannot look to pay alone to resolve our personnel difficulties in science and engineering, or in any other shortage category. We need a pay-plus programme.

Additional steps need to be taken to increase Government's attractiveness as an employer. Opportunities for continued professional growth and development, for example, are known to be of major importance in attracting and holding competent professional people. Here again the urgency of the training legislation recommended by the Administration becomes apparent. Similar opportunities for training of employees are already provided—and flamboyantly advertised—by private corporations employing scientists and engineers.

Every possible effort should be made to improve the administration of research and development programmes; to make optimum use of the talent that is available; and to create conditions in which competent employees can work with maximum satisfaction, effectiveness, and productivity. The Civil Service Commission will continue to work with the agencies concerned in developing solutions to our problems.

Adjustment of Pay Scales

When I spoke (to this Society) a year ago I expressed the opinion that the conditions of modern Government called for a new approach to the problem of adjusting salary scales under the Classification Act. The intensification of the pay aspects of the scientist and engineer shortage during the past year has heavily underlined this need.

While I recognize the need from time to time for temporary, stop-gap, piece-meal action to meet a specific crisis, I am more than ever convinced that a thorough re-examination and reappraisal of the whole Federal pay philosophy is required. We need to face the pay problem with courage and vision. We need to do some real *imagineering* to develop a pay policy that will meet the needs of Federal personnel administration today and tomorrow.

For example, we uphold traditionally the principle of

equal pay for equal work. But perhaps we need to redefine our terms. Is work of a certain level in an occupation where there is an over-supply of manpower really *equal in value* to work of a comparable level in an occupation where there is an accute shortage? Again I raise the question as to whether salary rates should vary from one occupation to another, and be adjusted upward or downward as labour-market conditions change. Even under a fixed ceiling, the ability to adjust salary rates within defined occupational areas might help to meet major changes in supply and demand.

We have taken a short step in this direction in raising entrance salaries of engineers and scientists to meet recruitment competition, but in so doing we have intensified the problem of compression, which was serious enough already in terms of the present ceiling. The more we raise entrance salaries without corresponding adjustments up the line, the more we limit the scope of advancement, salary-wise. And retention can be as much of a problem as recruitment.

We must take into consideration also the fact that the present pay structure in general does not provide sufficient career incentive. Various suggestions have been advanced for making more meaningful use of withingrade increases; none of them should be dismissed without careful scrutiny.

I want to make it clear that I am not advocating any particular plan or proposal at this time; my purpose is merely to indicate how broad a field of exploration lies before us. But I am certain of two things : that salary administration in the Federal service is outmoded, and that it is periodically used as a political football. These factors alone demand a remedy. We must look realistically and objectively at the whole picture, unhampered by present practice or the traditions of the past, in order to build a truly forward-looking Federal pay policy.

In this and other problem areas the Civil Service Commission staff is making extensive studies through which—with your assistance—we will develop new plans and recommendations. Thanks to the new and better relationship between the Commission and top executive management, we can look forward to continued top-level support in the development of policies and programmes for the future and in their implementation within the executive agencies.

Administrative area - India

The New Anchal Adhikari System in Bihar

V. K. N. Menon

AMONG the administrative reforms which have been carried out, or are being introduced, in India in recent years the *Anchal Adhikari* system which is in process of implementation in Bihar must be regarded as a significant and important innovation. Stated in terms of its fundamental characteristics, the reform consists in dividing each Sub-division within a District throughout the State into a number of administrative areas called *Anchals* which are at the same time revenue administration units as well as Community Development or National Extension Service Blocks. The 18 Districts with their Sub-divisions are in this way further sub-divided into approximately 600 anchals, (597 to be exact), each in charge of an officer called the Anchal Adhikari who will be ordinarily in the cadre of Sub-deputy Collectors. Each Anchal/Block, following the pattern set by the Community Projects Administration, will, on the average, comprise 100 villages with a population of 66,000. The administrative set-up of each District will thus have a District Officer at the top, below him Sub-divisional Officers and below them the Anchal Adhikaris. But while the District Officer and the Sub-divisional Officers have revenue and magisterial functions, they will be wholly coordinating officers in matters of development. On the other hand, the Anchal Adhikari will eventually combine in himself the executive functions in respect of revenue matters with similar functions in the development field. His magisterial powers will, however, be only of a reserve or emergency character. It is to be noted that the Bihar scheme does not contemplate the integration of the revenue and development functions below the level of the Anchal Adhikari; at the lowest level, there will be separate officers in charge of the two functions.

It should be added here that in two respects the Anchal Adhikari system is only in process of implementation. Firstly, while the whole State has already been demarcated into 597 Anchals, the Adhikaris have so far been appointed only for some of them. These have been gradually appointed closely

following the process of the taking over of the Zamindaris by the State and as more officers have become available for appointment as Anchal Adhikaris. It is expected that this process will be completed in about 5 years. Secondly, although Anchal Adhikaris already exist in many Anchals, with revenue functions (and magisterial ones of a reserve character), only a few of them have so far been appointed as Block Development Officers. This is partly because the process of putting the former Zamindaris under Anchal Adhikaris has initially involved a great deal of revenue work for them, and partly also because the Community Development/National Extension areas have been in a fluid state, the areas and their types having taken time for demarcation and classification.

But, though the scheme is only in the process of implementation, it should not be understood to be just an experiment. The scheme took more than two years to mature. In its earliest stages it was concerned only with the integration of the general and the pre-existing welfare services. The idea of linking it with the Community Projects and National Extension Service plan came later. It was elaborately discussed both at the administrative and the Cabinet levels before it was finally adopted by the Government. The delay in the full implementation of the scheme has not been due to any doubts in the minds of the Government about the wisdom or likely success of the reform. (It is not implied here that political or administrative opinion is unanimously in favour of the scheme. But it is true that a majority holds that it is unavoidable, reasons of economy of personnel being also taken into account.) The delay has been due only, as said above, to the time necessary to take over the Zamindari lands, to settle the classification of the Anchals for development purposes, and also to recruit and train the required number of officers.

II

Such a scheme which combines, in the same official, revenue (and magisterial) functions with those of development is not, by any means, an entirely new departure in this country; nor is it, on merits, beyond the region of controversy. It is well-known that in Bombay State the Mamlatdar in charge of a 'Taluka', who has been traditionally a revenue

official, has also been entrusted with development functions since the Community Projects came into existence; and it is also well-known that the Planning Commission and the Programme Evaluation Organisation have been sceptical, and even critical, of such a combination of functions, especially from the point of view of the success of Community Project and National Extension plans. In this *Journal* itself, in two recent issues, (April-June, and October-December, 1955), two writers with intimate experience of the problem have discussed it, especially in the context of the integrated system in Bombay. The Bihar system has been adopted in full knowledge of the objections, on principle, to the combination of general line functions and developmental ones, and there are in fact some differences between the Bihar scheme and the Bombay pattern which should make the objections less valid.

One of these objections is based on the contention that load of revenue work is likely to be so heavy that the same officers will not have enough time to devote to development work. It is believed that in Bombay the Mamlatdar-cum-Development Officer has to devote the greater part of his time to revenue duties; and Bombay is a State with a revenue system which has been functioning along established lines for a long time. The question may be asked as to whether, in Bihar, the taking-over of the Zamindari system will not mean an even heavier load of work for the Anchal Adhikari than for the Mamlatdar in Bombay. The answer is, first of all, that the Block Development Officer's functions are only being gradually entrusted to the Anchal Adhikari, (it has already been mentioned above that the two functions have not as yet been combined in many areas) and that it is expected that the combination will be effected only when the undoubtedly heavy revenue work in the early stages after the abolition of Zamindaris has diminished. And when this diminution has taken place, it is expected that, under a system of state ownership of land, revenue work will be less heavy than under a ryotwari system as in Bombay. Actually, the State Government has been careful to see that the heavy initial work of the Block Development Officer in the new Blocks is also completed before the combination is effected. Secondly, as regards long-term revenue duties, there is the consideration that a Mamlatdar in Bombay has jurisdiction, on the average, over an area nearly two or three times that of an average Anchal in Bihar. Further, to the extent that revenue collection is entrusted to

Panchayats, (this is the intention and even a beginning has already been made in this respect) the direct revenue work of the Anchal Adhikari will diminish further.

A second difference between the Bihar and the Bombay models is that the Anchal Adhikari has not and will not have the same functions in connection with Law and Order as the Mamlatdar of Bombay. Though it is true that in Bihar he will be vested with some magisterial powers so that, where a breach of the peace is feared or an emergency arises calling for the use of armed forces, he may take prompt and necessary action and maintain or restore peace, the Anchal Adhikari will not try criminal cases or be a magistrate in the normal way. In Bombay, on the other hand, the Mamlatdar has certain routine duties of a Law and Order kind. To the extent that a magisterial Officer should also not be in charge of developmental work, the new Bihar system appears to have less objections to meet.

Thirdly, there is the very important difference between the two systems that, in this State, it is not proposed to have, as in Bombay, an integrated system below the level of the Mamlatdar of a taluka, and right down to the level of the village. In Bombay, where the two functions are combined, the officials of the taluka and below it the village, also discharge revenue as well as development functions. The decision in Bihar has been to appoint one Inspector under each Anchal Adhikari solely for revenue work and another Inspector for developmental duties. At the village level also the two kinds of work will be in separate hands. To the extent that the combination of revenue and developmental functions has defects, the stopping of the combination at the Anchal level, and not taking it further down, limits, in one more way the possibilities of failure arising out of this integration.

It has also been calculated that it will take about five years even to recruit and train the 400-500 Sub-deputy Collectors who will be needed to make up the total of 600 officers required for the equal number of Anchal-cum-Development Blocks. And, even as it is, the necessities of Government have made unavoidable the selection of many candidates, (whether by examination or by promotion), of a lower calibre than those selected in earlier years. If the

two offices of Anchal Adhikaris and Block Development Officers are separated, the recruitment will have to be nearly doubled and the time either lengthened or the standard lowered. And, added to this, the problem of providing office and residential accommodation will become even more difficult than it is at present or will be under an integrated scheme.

III

The Bihar Government thus agrees with the critics of the Bombay scheme of integration that the traditional revenue officer, (and much less the revenue-magisterial one), is unfit, by the coercive nature of his powers and duties, to be that guide, philosopher and friend also of the villager that the Block Development Officer is expected to be. And the expectation of the Bihar Scheme is that, with the smaller area and powers that the Anchal Adhikari will have as compared with the Mamlatdar in Bombay, and with integration not proceeding lower than the Anchal level the Anchal Adhikari will find it easier to develop the right relationships with the people in development work. But the question may be asked whether this ideal of a Block Development Officer who is a guide, friend, philosopher and leader of the people is not itself a somewhat utopian one. Certainly in a democratic and welfare State, all officials will have to behave differently than in an autocratic and police State. But, how far is it possible for this development and improvement to proceed? As long as officials remain officials, appointed from above, and transferable too from place to place, it would seem that there are limits to such a process. It would appear, then, that the position of guide and friend, helping and stimulating from below, is more natural to the elected leaders of the people like those of the Panchayats who are associated with the officials in developmental work than to the officials themselves. Even those who argue for the need for such a transformation of the character of officers concerned with developmental activities, or see it as already having taken place, do not, indeed, deny the value of such elected leaders and bodies being associated with the officials concerned. But they seem to attach undue importance to the latter compared to the former, to the transformation of the officials than to the cooperation of non-official leaders. This is precisely the point which needs re-examination. In other words, the

question is which is more important in this context—integration of general and development functions in officials, or integration of official and non-official persons and bodies?

If the foregoing is true, if officials in charge of development work cannot be expected to change their character beyond a point, the conclusions to which the Government of Bihar has come in introducing the Anchal Adhikari Scheme in the way contemplated would seem to be justified, at least to some extent, even if all the arguments adduced in its favour are not. Apart from the difficulties of securing adequate personnel for a parallel and double scheme of revenue and development administration, the Government appears to believe in the possibility of making its Anchal Adhikaris/Block Development Officers into a transformed set of officials, the friends of the people rather than the agents of their rulers. One may question the possibility of fully realising this hope, and yet agree that the integration, at least along the Bihar pattern, has something at least to be said in its favour. The reform co-ordinates the two administrative aspects of government, general and welfare services at a lower and more effective level than that of the District Officer or the Sub-divisional Officer, who also are being more and more brought, through recently expanded powers and duties, into the picture of the Welfare State. Perhaps one should conceive it as the transformation of the Police State into the Welfare State rather than as the co-ordination of the two aspects of Government. And the Panchayats and other non-official bodies will themselves take time and thought to remedy their usual defects.

A decision has been definitely taken by the Government of Bihar to implement the scheme all over the State within a period of about five years, gradually extending it from those areas where Anchal Adhikaris have been already appointed for (mainly) revenue purposes to new areas and assigning to them the functions of the Block Development Officers as well. Though there is a section of opinion in the State which is not convinced of the desirability of integrating general with welfare functions even in the limited way the Government has decided, the very gradualness of the process of introduction of the reform should give an opportunity for a re-consideration of the scheme if in actual working its defects are found to outweigh its advantages. The load of work on the

Anchal Adhikari-cum-Block Development Officer, the effect of his revenue and reserve magisterial powers on his psychology and influence as a Development Officer, the manner in which the Panchayats discharge their additional duties, have all to be carefully watched in operation. And if the view prevails in the end that the separation of the two functions is best, it may be desirable also to consider the possibility of envisaging a larger unit of area for the revenue officer than for the Block Development Officer.



The administrator is the master-arranger : if he is neither an originator nor a producer in the ordinary sense he is most certainly an originator and a producer of organization. This is his main function, around which all the other activities of the senior administrator cluster; the closest of these—namely, planning and co-ordination—being nothing without organization.

—E. N. GLADDEN

(in *'The Essentials of Public Administration'*)

Advance Towards Metric*

Pitambar Pant

THOUGH the metric system is by itself simple and the decision to introduce this reform in the country is timely, yet the implementation of the reform requires careful thinking and planning. The task has many aspects. There is first, the all important need of popularising the new system among the masses and to make them perceive its advantages. No less important is the necessity of securing in proper time a full supply of weights and measures and measuring instruments required for changing over to the metric system. There is further the need of close coordination between the programmes of conversion for the different sectors of the national economy, so that they keep step with each other and complications in the dealings of one department with another, as may arise from too hurried a reform in any one department in the absence of suitable conditions in connected fields, are avoided.

To facilitate its task, the Government of India has set up a Standing Metric Committee under the Chairmanship of the Minister of Industries. The Committee is composed of the representatives of the eight Ministries most closely concerned, the Planning Commission and the Indian Standards Institution. It is the responsibility of the Standing Metric Committee to study all questions concerning the introduction of the metric system and advise on the manner and phasing of the change, to coordinate the programmes in different sectors and to conciliate diverse interests so as to facilitate speedy and smooth implementation of the reform.

New Plants to Adopt the Metric System

The very first thing to do is to take steps that nothing new is done to add to the difficulties of the task. The application of metric system to manufacturing and mechanical and other forms of construction engineering, where the British foot-pound units have long been in use, would constitute one

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of the most difficult problems of conversion. It is for this reason that the Standing Metric Committee emphasised at its very first meeting a year ago, that whenever new plant or machinery is ordered or a new line of production is established in India, care should be taken to ensure that the equipment ordered as well as the line of production established is based on the metric system, so that no transitional difficulties in respect of these arise in the future. This recommendation was reiterated by the Committee in its second meeting as well as in the third. The Ministry of Commerce and Industry have communicated the decision to all Ministries, to State Governments and to organisations of trade, commerce and industry in the private sector.

It would, however, be unrealistic to assume that the above recommendation would be observed automatically. A tendency to stay in the old system would be neither unnatural nor uncommon. That will be the line of least resistance. Plausible reasons might be advanced, such as the likely delay in production if the older system of units was not persisted in. Only close technical scrutiny and constant vigilance will succeed in countering the tendency. This consideration is as important for our major state enterprises as for others. All Ministries will have, therefore, to be careful that the establishments under them follow the principle; the Ministry of Commerce and Industry, in particular, will have to exercise close supervision and ensure that orders for machinery and equipment for new units of production are placed abroad only on metric sizes, except when there are very special reasons justifying a departure from the normal rule. Enlightened vigilance now would save much trouble and expense later. Once it is made sure that new equipment and machinery will be installed only in the metric system, this will by itself reduce rapidly the relative proportion of the sector using non-metric units. Every exception will delay this outcome.

Metric Committees

Before the Standing Metric Committee can draw up a phased programme applicable to all sectors, which takes into account the needs and difficulties of each sector, it must have before it detailed plans of various departments. On the recommendations of the Central Committee, several Ministries and Departments and practically all the State Governments have set up Metric Committees to consider problems likely to

be encountered and to formulate phased programmes for transition. A technical Sub-Committee of the Standing Metric Committee, with the Chief Industrial Adviser to Government as its Convener, has been appointed to deal with any technical problems which the Departmental and State Committees might refer to it for advice.

Some of these Departmental Committees have drawn up outlines of their programmes; others are collecting data which would enable them to do so. The State Committees have also done useful work. But it appears they would proceed faster if there was an early enactment of Central Legislation establishing the metric system of weights and measures.

Bill to Establish Standards of Weights and Measures

The Standing Metric Committee has finalised a draft Bill which seeks to establish standards of length (*metre*), mass (*kilogram*), time (*second*), area (*square metre*), volume (*cubic metre*) and capacity (*litre*), temperature (*degree centigrade*) and other scientific units of measurement such as those for electric potential, resistance current, luminous intensity and the like. The definitions of these units and their nomenclature follow international practice. The draft Bill authorises the Central Government to declare, by notification in the Official Gazette, the magnitude and denomination of such units of mass and measure as it thinks fit to be secondary units of mass and measure, provided that every such secondary unit of mass and measure shall be an integral power of 10 (positive or negative) of any of the appropriate primary units. This would ensure that all multiples and sub-multiples are on the decimal scale.

An important feature of the Bill is that it lays down that it shall come into force on such date, not being later than 10 years from the passing of the Act, as the Central Government by notification in the Official Gazette appoint, and that different dates may be appointed for the coming into force of different provisions of the Act or for different areas or for different classes of undertakings or for different classes of goods. The metric reform is thus proposed to be introduced fully within a decade in every activity—production, trade, education, social relations, etc.

The draft Bill, after it has received the consideration of the Cabinet, is expected to be presented to Parliament this year.

As Parliament has already approved of the proposed reform, in principle, it may be hoped that the Bill will have an easy passage.

Amendment of the Constitution

It may be expected that the State Governments will soon follow suit with their Acts, which will provide for enforcement of the standards laid down. As uniformity in procedure and practice, and in timing and phasing of the reform is an essential condition for its success, guidance and coordination by the Centre are very necessary. Unfortunately, according to the present constitutional position, the Union Government can only establish standards of weights and measures; all other matters connected with weights and measures lie in the field of responsibility of the State Governments. The exclusion of the Central Government's authority from the field of actually carrying out the purpose of Act might stand in the way of effective implementation of the reform in a systematic and coordinated manner. It is of importance that all States should simultaneously and with equal vigour follow an integrated programme on a uniform pattern. Without a Central coordinating authority, with legal sanctions, it is difficult to achieve such concerted and unified action in the States. For this reason it may be necessary to amend the Constitution so as to transfer the item "Weights and Measures" to the Concurrent List. Any law made by Parliament on any aspect of the subject would then be binding on all States.

Nomenclature for Metric Units

The question arises whether our country should adopt the international terminology or coin new terms for the metric units. Practically all countries of the world who have adopted the metric system (and they comprise more than four-fifths of the world's population), have adopted the international names of the units of the system, except that sometimes the spellings and pronunciation are adapted to the national language and the prefixing words such as 'square' and 'cube' are translated into the national language. The sole exception seems to be China, where the metric units have got names in the national language also. The metric system was introduced in China long ago but the rules and regulations on weights and measures are still under compilation. It will be

interesting to see what policy is adopted in regard to the nomenclature for the metric units when the new rules are framed.

The Special Committee of the Indian Standards Institution on weights and measures and the Board of Terminology in the Ministry of Education have favoured the use of international terminology. The State Committees of Madras, Travancore-Cochin, Andhra, Orissa, Punjab and significantly, Uttar Pradesh, have expressed themselves in support of adopting the international nomenclature.

There are some who favour the adoption of the primary units, 'metre', 'gram' and 'litre', but would prefer the prefixes to be suitably translated in Indian equivalents. The novelty to be achieved thereby may not be enough compensation for the inconvenience resulting from departing from international usage. Unnecessary work and difficulties of comprehension will be added.

Some others think that international terminology will not be acceptable to the masses and terms like '*maund*', '*ser*', '*chhatak*', '*gaz*', '*girah*', '*angul*', etc., which are now widely understood, should be retained although their content may be changed and made to correspond with the units of the metric system. It is asserted that we should have terms with roots in Sanskrit and other Indian languages ; that absorption of foreign terms would make a hotch-potch of our languages ; that scientific terms must be translated if the ordinary man in the country is to be made science-conscious and that it should not be difficult to coin about 20 words for the metric units. It is difficult to understand what advantage is gained by searching for new terms which nobody understands. Foreign words are being added continuously and in large numbers to our languages which are all the richer for it. The terms of the international metric system are already part of our vocabulary and are taught in schools and some are even in frequent use. For example, the metre is well-known in connection with metre-gauge railway, or in relation to the wave length, associated with our radio stations. Gram is common in new medicines ; injections are given in cubic centimetres. The units of the metric system are no more foreign than acre, gallon, pound, feet and inch, all of which have found currency without getting translated in Indian languages.

Some other advocates of the metric reform, though they favour the adoption of international terminology for scientific

and technological purposes, hold that terms like *maund* and *ser* should be retained for common use; it is claimed that such a course would facilitate the carrying out of the reform. The point is not fully realised that where there is a great medley of names, sometimes the same name representing completely different quantities at different places, it would be idle to search for terms of common usage which could be adopted for the units of a well-defined scientific system. Even if stray terms such as *ser* and *gaz* are adopted in the place of kilogram and metre, the derived units, multiples and sub-multiples, will present difficulties. Moreover, the advantages of a unified, single terminology, suitable alike for science, technology, commerce, and international intercourse—which is the main advantage of adopting the international metric system *in toto*—would be lost in exchange of a doubtful pride at national improvisation in a field where such an effort is without much value.

The Standing Metric Committee, having carefully considered this question, has decided that the international nomenclature should be adopted *in toto*.

The Prime Minister has supported this view in the following words :—

“Having decided to adopt the metric system, there seems to me no help for it but that we adopt the international nomenclature also. Any change in the existing system of weights and measures will necessarily create confusion and opposition for some time. It is this change that is the important thing and not the names we give to the new weights and measures. The change has been decided upon and therefore this difficulty has anyhow to be faced. It is not lessened in any way by evolving a new nomenclature.

“It is not a question of finding Indian equivalents. If there were real Indian equivalents, one might consider using them. But there is no equivalent to a metre or a litre or a gram or an ampere or candela or a second (I believe second is commonly used in Hindi).

“We cannot call a metre a *gaz*. That would be wrong and confusing. We have to call it by some

other name which will be completely artificial and without any real significance. This would apply to the other terms also. I really cannot understand what advantage is gained by searching for new terms which nobody understands. After all, some people at least understand metre, gram, etc.

“But the real point is there is advantage in using international terminology. This advantage is very great. In any event, our scientists and technicians will use international terminology. They cannot do without it. Thus we may have two sets of terms and that will not add to clarity.

“Also, it will be no easy matter to impose a new set of artificial terms all over India in the various languages. There might well be vigorous arguments on behalf of the different Indian languages about these terms, even though they might be derived from Sanskrit. There will be no such argument if we adopt the international terminology.

“I am, therefore, clearly of opinion that the majority view of the Sub-Committee on Nomenclature, that is, in favour of the adoption of international nomenclature *in toto*, is the right view and should be supported.”

Publicity

Publicity for the reform need not wait for the passage of the Bill. An intensive campaign should be launched to educate the masses to appreciate the defects in the present system and the advantages the metric reform will bring. Ultimately the success of a reform of such wide impact as this will depend on the active and willing cooperation of those for whose benefit the reform is intended. Extensive publicity for the reform will promote and ensure its implementation and what cannot be done by compulsory regulations may be secured by means of right propaganda. Besides utilising the usual means of publicity such as pamphlets and booklets, feature articles in newspapers and journals, talks and discussions broadcast on the radio, exhibitions, films, illustrated charts and wall-posters and so forth, it would be useful to organise cadres of lecturers to carry out the campaign. It may be easy and profitable to utilise the student community

of the higher educational institutions and higher professional colleges for doing publicity for the metric system, during vacations. Retired army personnel, who would have received instructions in the metric system during their service in the army, could be persuaded to turn their attention to popularising the metric system in the rural areas on their retirement and return to their native homes. Demonstrations and lectures in rural libraries or community centres can do much to make the masses perceive the advantages, the simplicity and the convenience of the metric system in contrast to the systems in current use.

In our Community Projects we have a ready-made agency to put life and drive in such a campaign. Similarly, all other agencies which come into direct contact with the peasant masses should take a hand in explaining the superiority of the new system to the people and the need for its early introduction.

An important role can be played by one or two journals, quarterly or monthly, which may be brought out under the auspices of the Standing Metric Committee. They should be attractive and contain readable, informative articles, reviews and notes written with a view to arousing interest in the reform, explain its advantages, deal with difficulties that may be encountered in its implementation, describe and evaluate the progress in different sectors and different parts of the economy. Translations in important regional languages would also be necessary.

The enlisting of the fullest local initiative, with Central assistance and guidance, should be the policy. A beginning has been made by setting up a special cell in the Ministry of Information and Broadcasting and appointing a Campaign Officer to look after this work, which will be guided, in matters of policy, by the Standing Metric Committee.

Education

Young children can be turned into the strongest supporters of the reform after they have grasped the simplicity of the metric system early in their school careers. They should prove the best teachers for their elders and may at least soften their resistance to the new system if not secure their support and understanding of it.

Schools can become a very powerful instrument to popularise the metric system, if the teaching of arithmetic is properly reoriented. For this it is necessary that from the very beginning, the students should learn measurements exclusively in the metric system. The earliest lessons in arithmetic should require them to measure for example, the length of the room, or table, in metres and centimetres. The same applies to the kilogram and the gram. This is not to say that it is not desirable for them to know anything about weights and measures currently in vogue. That is essential, as it is necessary to know about all other phenomena of surrounding life. But acquaintance with the current system should come only after the children have mastered the units of the metric system. The new measure will be in their case, basic and unique to measure quantities with and there is no need to direct their attention to measures that are soon to be replaced and calculations in which, after some time, are due to be prohibited.

As instruction proceeds, stress should be laid on driving home the ease of operation with metric units and the economy effected by their use. Problems to be solved should be given in metric units and computation should be kept within the metric system. The primacy of fractions and the complicated calculations involved in their use will be ended, giving place to the easy decimal system of calculation. This will involve a radical rewriting of arithmetic textbooks. A mechanical addition of a new chapter on metric system will not serve the purpose. It is important, therefore, that very early attention is given to this matter. The Ministry of Education has to take the initiative. Textbooks on arithmetic, used in schools of countries which have adopted the metric system, such as France, Germany, U.S.S.R. would be of value for suggesting lines on which our new textbooks may be written. A good idea may be to offer prizes for the best sets of arithmetic textbooks. This is likely to spur creative and constructive minds to action and may bring valuable contributions. Books which are adjudged best can be published as model textbooks.

Along with the preparation of suitable textbooks, the teachers must be trained to understand and appreciate the superiority of the metric system as well as the need for a uniform system of measurement throughout the world. Special refresher courses will have to be organised for them and instructive material made freely available.

Similarly, urgent attention has to be given to impart training in the metric system in technical and professional institutions. Arrangements have also to be made to train employees and workers in the use of the new system.

Supply of Weights and Measures

The supply of the new weights and measures will determine, to a large extent, the pace at which the reform can be implemented as well as the degree of popular acceptance it receives. As uniformity is the objective, weights and measures all over the country should have not only the same value but the same shape and size. Standardisation of design and specification of weights and various types of measures thus assumes great urgency and importance. It has been decided that by October 1956, the Indian Standards Institution will be ready with the design of weights and common measures, so that large scale manufacture of these can be taken in hand.

A survey of the diverse kinds of measuring instruments at present in use would be of great value not only in evaluating the needs of different types of equipment but also for providing a basis for standardizing them, and reducing the number of types by selecting those which serve the purpose best.

The supply of weights and measures in adequate number and at the right time will require much planning and organisation. It is desirable that a special organisation should be set up in the Ministry of Commerce and Industry which should be responsible for the preparation and supply of metric weights and measures. This organisation should work closely with the Indian Standards Institution and the National Physical Laboratory from whom it should receive guidance in the matter of designs of various weights and equipment to be manufactured, research and production possibilities and the manner of bringing about alterations in the existing equipment. The designs and specifications should be drawn by the Indian Standards Institution on a careful examination of the various types of measures which are in demand and the technical specifications ought to be such as to exclude the possibility of faulty manufacture.

There is a great need for standardising and rationalizing the form and design of instruments of measurements. If too many types of such instruments are permitted, it would be

difficult to develop mass production of required components. The more standardized the equipment, the easier it would be to meet the requirements earlier. This organization for supply of weights and measures should undertake the manufacture and supply of diverse kinds of measuring instruments, iron weights, brass weights, various kinds of balances, mugs and containers for capacity, measuring rules and tapes, micrometres and other measuring instruments. It should also have, under its control, small factories for repairs and assemblage in various parts of the country. It need not produce all the articles in its own factories. It may very well take advantage of the production capacities of existing units and arrange through them the production of the requisite number of items of different types according to estimated requirements. The iron foundries may be asked to prepare the pig iron weights, machine industries and special manufacturing establishments to produce commercial scales, the punching industries may be asked to produce mugs and capacities, wood working and mechanical workshops may produce measures of length and factories for precision machinery may take up the manufacture of precision balances. A good deal of this work may be entrusted to the Ordnance Factories which have spare capacity and surplus labour. Mass production of standardised items brings about large scale economies and offers scope for introduction of quality control methods, ensuring quality and precision of the products and requiring only a fraction of the normal inspection. Moreover, the weights coming out of these Government factories would be already certified accurate. There is much to be said, therefore, for government taking a big hand in the manufacture and supply of the new weights and measures.

Enforcement

It is a matter of common knowledge that few States have adequate machinery to enforce the present laws relating to weights and measures. This gap has to be filled very expeditiously.

One of the best organized States in this respect is Bombay, and one might draw some rough conclusions regarding the organisational needs from the experience of Bombay. The whole of Bombay State has been divided for purposes of enforcement of weights-and-measures laws into 94 divisions, each division having about 3,000 to 3,500 trading

establishments. For each such division there is one inspector, assisted by a manual assistant and a peon. 16 such divisions are supervised by one Assistant Director and an Industries Officer. At the head of the organisation is the State's Director of Industries. The receipts from fees for stamping and verification exceed the cost of maintaining the Inspectorate. Far from being a source of expenditure to the State, this activity of enforcing the laws relating to weights and measures yields a substantial net revenue of about Rs. 2 lakhs a year to the State Government.

There are, roughly 40 lakh trading establishments in the whole of India. Assuming that for appropriate supervision one inspector should have under his jurisdiction, in the initial stages, about 2,500 such establishments, there would be approximately 1,600 inspection divisions all over the country. That is, for a population of roughly 250,000 there would be one inspector, or in other words, an average district having 12.5 lakh population will have 5 such divisions. In the 16 States of India there would, in all, be 1,600 divisions, each having an inspector assisted by a manual assistant, 16 such inspectors coming under the supervision of an Assistant Director. As the work of enforcement of weights and measures would entail heavy responsibility in the early stages, it might be necessary to appoint a whole-time Deputy Director of Industries, especially charged with the responsibility of the implementation of the reform in each State. The fees for verification and stamping should be such that the cost of administration is fully met. At the same time the cost of the new weights and measures should be kept very low and may even be subsidised so as to be within the reach of every trader.

Opportunity for Rationalisation

The introduction of the metric system would provide an opportunity for rationalisation of the most diverse aspects of the national economy. The occasion for conversion to metric units may also be utilised to bring about standardisation of designs and specifications of products; standardisation, in turn, would promote a quicker transition to the metric system. From this point of view, standards relating to commodities mostly used by the population as well as standards relating to their packing are of great importance. A plan for the implementation of the metric reform should, therefore,

encourage the working out, and the use in practice, of standards relating to goods in extensive use. The following list gives a number of items which, if standardised on the basis of metric units, will strengthen the hold of the metric system among the people. The introduction of standardization will also achieve important economies in production and in trade.

Packings : bags for cereals; bags for coal; tins for different uses, for example, petroleum products, vegetable oil, ghee, paints and varnishes; boxes for confectionaries; packets for sugar, tea, cocoa, coffee, dried fruits, salt, soap, etc.; sizes of packets for cotton, wool, tobacco.

Vessels of capacity : glass bottles, phials and containers.

Metric instruments : weights, measures, balances, various types of instruments.

Cloth and yarn : lengths of pieces and loom width, fineness of thread, etc.

Building material : bricks, tiles, roofing material, bolts and handles for windows and doors; window panes; water pipes and parts thereof; sizes of windows and doors; steel sections.

Paper size : formats of books.

Instead of mechanically translating the original design into the new units, it would be useful to examine the design itself and see if it can be replaced by a new and improved design, using metric units. There is a great deal of room for such improvement and the cumulative effect of the effort would be to bring about the much needed rationalisation in every branch of national economy, resulting in considerable economy in the use of national resources.

The Indian Standards Institution is well equipped to carry out this task and is also well aware of the possibilities of the situation. It already has a plan for conversion of all Indian standards in the metric system within a period of ten years. What is needed is a scheme of priorities according to which the work will be carried out and this scheme should be such as to help considerably in expediting the metric reform and making the transition as smooth as possible.

Social Insurance Administration in India

V. M. Albuquerque

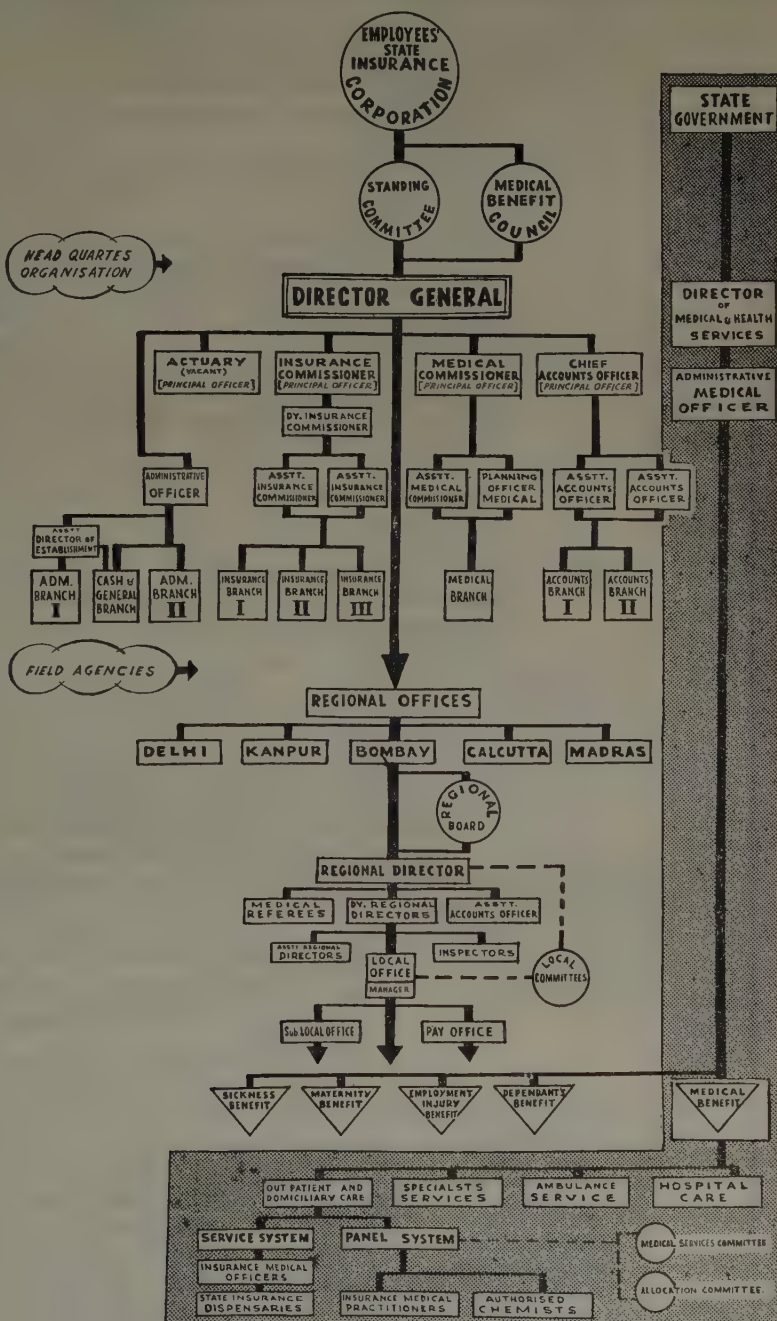
IN an industrial economy, the majority of citizens depend on their capacity to put in a day's labour for meeting the day's needs. Sickness, accident, old age, death and maternity are some of the contingencies which interrupt the daily income and create want. Social security schemes are designed to prevent this want. Such schemes may be financed from general revenues (social assistance) or may be contributory in character (social insurance). They may provide benefits at flat rates to all, irrespective of income variations, or the benefits may correspond to income or contributions or family status.

All such schemes, however, have one common feature. They recognize the social justice of pooling risks and resources, so that all those exposed to the same risk finance the scheme though the benefits are made available only to those who actually need them. Under the social assistance approach, the benefits are derived from general revenues and this is justified only when they can be granted to all citizens who are in want. In underdeveloped countries with limited resources, a beginning can only be made to cover selected sectors of the population, and so the social insurance approach is more practicable. This is what the Employees' State Insurance Act, which was passed in 1948, attempts to follow.

The Present Scheme and the Administrative Agencies for its Execution

At present, the Employees' State Insurance Act applies to factories other than seasonal, using power in the manufacturing process and wherein 20 or more persons work. Insurable persons include manual as well as clerical, supervisory and technical personnel whose remuneration does not exceed Rs. 400 per month. The Act can, in due course, be extended to any other establishment, industrial, commercial, agricultural, or otherwise. The present coverage is, therefore, a nucleus of social insurance which can gradually extend to wider sections of the population.

ORGANISATIONAL SET UP OF THE EMPLOYEES' STATE INSURANCE SCHEME.



(Figure 1)

PROGRESS C

CODED STEPS TO BE COMPLETED BY STATE GOVT

CODE NO.		
C-01-M	SURVEY OF	A. RESIDENTIAL CONC B. EXISTING MEDICAL C. EXISTING EMPLOYE
C-02-M	PLANNING OF OVERALL BUDGET	
C-03-CO	LETTER TO CORPORATION BY THE	A. AGREEMENT IN PR B. RECOMMENDATION C. SUGGESTED PLACE D. RECOMMENDATION
C-04-M	APPOINTMENT OF A.M.O. AND HIS NU	
C-05-M	E.S.I.(MEDICAL BENEFIT) RULES:-	A. PUBLICATION FOR B. FINAL PUBLICATIO
C-06-M	NECESSARY BUDGET PROVISION FOR I	
C-07-CO	E.I.COURT RULES:-	A. PUBLICATION FOR B. FINAL PUBLICATION C. ENFORCEMENT.
C-08-CO	BUDGET PROVISION FOR E.I.COURT	
C-09-CO	SETTING UP OF E.I. COURTS.	

C-10-M-(P)

PLANNING FOR G

CODE NO.	UNDER THE PANEL SYSTEM.	TIME SCHEDULE
C-10-M/1-(P)	DETERMINATION OF AREAS FOR DOCTORS.	AS EARLY AS POSS
C-10-M/2-(P)	ARRANGEMENTS FOR INCLUSION OF DOCTORS ON MEDICAL -LIST:- A SETTLEMENT OF TERMS AND CONDITIONS. B. SELECTION THROUGH ALLOCATION COMMITTEE & INDIVIDUAL AGREEMENT WITH PANEL DOCTORS.	A MINUS A MINUS A MINUS 1/2
C-10-M/3-(P)	ALTERNATIVE ARRANGEMENTS IN LIEU OF PANEL DOCTORS, WHEREVER NECESSARY	A MINUS 1/2
C-10-M/4-(P)	TRAINING OF DOCTORS.	A MINUS 1/2
C-10-M/5-(P)	ACCEPTANCE OF INSURED PERSONS BY DOCTORS.	A MINUS 1/2
C-10-M/6-(P)	SUPPLY OF FORMS, VIZ. REPLY-PAID ENVELOPES, PRESCRIPTION FORMS	A MINUS
C-10-M/7-(P)	DISPENSING ARRANGEMENTS	A MINUS

SEE
EXPLANATORY
NOTES.

CODE NO.	
C-11-M	AGREEMENT WITH EMPLOYERS FOR I
C-12-M	ARRANGEMENTS FOR HOSPITALISATION
C-13-M	ARRANGEMENTS FOR EMERGENCY AN
C-14-M	ARRANGEMENTS FOR PATHOLOGICAL
C-15-M	ARRANGEMENTS FOR X' RAY SERVIC
C-16-M	ARRANGEMENTS FOR AMBULANCE S
C-17-M	ARRANGEMENTS FOR MATERNITY S
C-18-M	ARRANGEMENTS FOR SPECIALIST S
C-19-M	SETTING UP OF MEDICAL BOARDS F

★ WHILE PLANNING FOR GENERAL MEDICAL CARE, DUE REGARD MAY BE PAID TO ENTER
▲ TIME SCHEDULE - 'A' STANDS FOR 'APPOINTED DAY' FOR ANY AREA

C-20-CO RECOMMENDATION OF THE STATE GOVT. FOR FINAL TARI

ROL CHART **IMPLEMENT THE E-S-I SCHEME IN THE STATE/AREA(S)**

OF INSURABLE PERSONS,
THOSE LOCALITIES, AND
FACILITIES.

VERNMENT CONVEYING :-
OR SHARING THE COST OF MEDICAL BENEFIT.
M OF MEDICAL TREATMENT.
FOR IMPLEMENTATION.
SIONAL TARGET DATE OR DATES.
AFF.

S.
ARE.

TIME SCHEDULE

A MINUS 12

A MINUS 9

AS SOON AS
POSSIBLE.

A MINUS 6

A MINUS 4

A MINUS 1

A MINUS 3

A MINUS 6

A MINUS 1

A MINUS 1

A MINUS 3

A MINUS 1

L MEDICAL CARE

C-10-M-(S)

CODE NO.	UNDER THE SERVICE SYSTEM.	TIME SCHEDULE
-10-M/1-(S)	SITING OF PLACES FOR DISPENSARIES.	AS EARLY AS POSSIBLE
-10-M/2-(S)	ACQUISITION OR CONSTRUCTION OF PREMISES OF DISPENSARIES	A MINUS 3
-10-M/3-(S)	EQUIPMENT OF DISPENSARIES WITH FURNITURE, DRUGS, APPLIANCES AND FORMS.	A MINUS 1
-10-M/4-(S)	ARRANGEMENTS FOR SPECIAL MEDICINES.	A MINUS 1
-10-M/5-(S)	RECRUITMENT OF MEDICAL & OTHER PERSONNEL.	A MINUS 1
-10-M/6-(S)	TRAINING OF MEDICAL PERSONNEL.	A MINUS 1 to A
-10-M/7-(S)	DELEGATION OF POWERS TO REGIONAL-DIRECTOR- TO ALLOT INSURED PERSONS TO DISPENSARIES.	A MINUS 3

OF THEIR EXISTING MEDICAL FACILITIES

SERVICES.

NT- INJURY CASES.

EMENTS WITH EMPLOYERS FOR UTILISATION OF THEIR EXISTING MEDICAL FACILITIES -
S INDICATE 'MONTHS'.
[- IF CONSIDERED NECESSARY.

OF EXACT ZONE OR ZONES OF IMPLEMENTATION A-2

PROGRESS CONTROL CHART

REQUIREMENTS TO BE COMPLETED
BEFORE THE IMPLEMENTATION OF THE SCHEME IN ANY STATE/AREA(s)

BY THE CORPORATION

CODE NUMBER		TIME SCHEDULE
C-21-INS.	DETERMINATION OF NUMBER & SIZE OF LOCAL OFFICES IN EACH AREA.	A-8* A-4**
C-22-AG.	WORKING OUT OF STAFF REQUIREMENTS.	AS SOON AS POSSIBLE
C-23-INS.	[a] NECESSARY BUDGET PROVISION IN CORPORATION'S BUDGET.	A-12.
	[b] ALLOTMENT OF FUNDS.	A-6* A-4**
C-24-INS.	ACQUISITION OF PREMISES FOR LOCAL OFFICES....	A-6* A-4**
C-25-INS.	WORKING OUT REQUIREMENTS OF FORMS.	
	[a] FOR REGISTRATION.	A-6.
	[b] FOR OTHERS.	A-3.
C-26-AG.	ARRANGEMENTS FOR PRINTING OF FORMS	A-6.
C-27-AG.	SUPPLY OF FORMS.	A-5.
C-28-AG.	ARRANGEMENTS FOR SUPPLY OF OFFICE STATIONERY	A-6.
C-29-INS.	ARRANGEMENTS FOR GENERAL OFFICE EQUIPMENT.	A-3.
C-30-INS.	ARRANGEMENTS FOR SPECIAL EQUIPMENT.	A-2.
C-31-INS.	ARRANGEMENTS FOR 'ADREMA'	A-4* A-3**
C-32-AG.	SANCTION OF STAFF [a] BY THE STANDING COMMITTEE.	A-12.
	[b] BY THE REGIONAL BOARD/DIRECTOR GENERAL.	A-9.
C-33-AG.	RECRUITMENT OF STAFF:- [a] ADVERTISEMENT.	A-9* A-6**
	[b] SELECTION.	A-6* A-4**
	[c] JOINING.	A-5* A-4**
C-34-AG.	POSTING OF NUCLEAR STAFF.	AS SOON AS POSSIBLE
C-35-INS.	TRAINING OF EMPLOYERS' STAFF:- [a] OFFICERS	A-5* A-3**
	[b] STAFF.)	
C-36-INS.	TRAINING OF CORPORATION STAFF.	A-3* A-2*
C-37-CO.	ARRANGMENTS FOR PUBLICITY THROUGH	
	[a] CONTACTS WITH EMPLOYERS.	A-4* A-3**
	[b] CONTACTS WITH TRADE UNIONS & WORKS COMMITTEES	
	[c] ADDRESSING MEETINGS OF EMPLOYEES.	
	[d] POSTERS, FILMS AND PAMPHLETS.	
C-38-CO.	SUPPLY OF POSTERS AND PAMPHLETS.	A-3.
C-39-INS.	[a] REGISTRATION OF INSURED PERSONS.	A-3.
	[b] SETTING UP OF RECORDS.	A.
C-40-CO.	ARRANGEMENTS FOR INAUGURATION.	A-1/2
C-41-CO.	NOTIFICATION REGARDING 1 ST CONTRIBUTION & BENEFIT PERIODS.	A-1
C-42-A.	ARRANGEMENTS FOR SALE OF CONTRIBUTION STAMPS.	A-1
C-43-A.	ARRANGEMENTS FOR BANKING.	A-1

BY THE CENTRAL GOVERNMENT

C-50-CO.	NOTIFICATION GIVING TWO MONTHS NOTICE UNDER SECTION 73A (iii) IF NECESSARY.	A-4
C-51-CO.	NOTIFICATION REGARDING VARYING THE EMPLOYERS' SPECIAL CONTRIBUTION RATE, IF NECESSARY.	A-1.
C-52-CO.	NOTIFICATION BRINGING INTO FORCE CHAPTERS IV & V OF THE ACT, FROM A SPECIFIED TARGET DATE IN A SPECIFIED AREA OF IMPLEMENTATION.	A-1.

* FOR LARGE CENTRES ** FOR SMALL CENTRES

(Figure 3)

The benefits provided under the Scheme are of two types—(i) medical care supplied in kind, and (ii) cash benefits which are payable in the event of sickness, maternity and employment injury. These benefits, which are of uniform standard are financed out of contributions from employers and employees and earnings on investments—all these contributing to the Employees' State Insurance Fund. During the first five years, the Central Government made a grant equivalent to two-thirds of the administrative expenditure. The Act has placed the responsibility for providing medical care on State Governments and they also share a quarter of its cost at present, the remainder being met by the Fund.

The responsibility of administering the provisions of the Act has been vested in a statutory body called the Employees' State Insurance Corporation. This body consists of 39 members representing the Central Government, the State Governments, employers, employees, the medical profession and Parliament. The Union Ministers for Labour and Health are the Chairman and Vice-Chairman of the Corporation respectively. A smaller body called the Standing Committee representing the same interests acts as the executive. A Medical Benefit Council of a similar representative nature advises the Corporation on all matters relating to medical care. The Director-General is the Chief Executive Officer of the Corporation and he is assisted by four Principal Officers on insurance, medical, accounts and actuarial matters.

For administrative convenience, five Regional Offices have been set up at Delhi, Kanpur, Bombay, Calcutta and Madras. Regional Boards, which closely follow the representative pattern of the Corporation, have also been set up. These were started as purely advisory bodies but have recently been delegated certain executive and financial powers. There is also a provision for setting up advisory Local Committees.

Contact with insured persons is maintained through Local Offices which have been set up in areas where the Scheme is fully in force. At the Local Offices, insured persons present their claims, receive payment and are helped to secure the benefits under the Scheme. The Regional Offices supervise the administration of the Local Offices, maintain the necessary accounts and central records and arrange for the collection of contributions and inspections. The Headquarters

Office deals mainly with the formulation of policy, ensures its execution, and coordinates the interpretations and views taken in various matters throughout the organisation.

The organisational set-up of the Corporation is shown in figure 1 (p. 155). The nominations of representatives of employers and employees on the Regional Boards and Local Committees at times present a delicate problem. The Corporation is naturally anxious to deal with all trade unions irrespective of their affiliations on an impartial basis. At the same time it is not possible to give representation on the various bodies to all organisations and in any case such representation cannot always be equal. The Employees' State Insurance (General) Regulations, therefore, lay down that in regard to the organisations which are to be asked to nominate representatives, the State Government should be consulted. The State Governments are in the best position to judge which organisations are the most representative of the interest concerned. As regards the representation on the Corporation, the Standing Committee and the Medical Benefit Council, the nominations are made from such organisations as the Central Government considers appropriate.

It is evident from the above short account that the Scheme is essentially a democratic venture in cooperation between the Central Government, the States, employers, employees and the medical profession. An enterprise in which such a variety of interests collaborate is bound to present singular administrative problems. There has been no dearth of such problems but at the same time, there has been no lack of mutual goodwill to solve them.

The Scheme as an Experiment in Shared Responsibility

The Employees' State Insurance Scheme represents a unique experiment in sharing of responsibility between the Union (as represented by the Corporation) and the States. social security and social insurance are included in List III (Concurrent List) of the VIIth Schedule of the Constitution of India while public health, sanitation, hospitals and dispensaries are in List II (State List). The Employees' State Insurance Act, though it is a Central Act, provides that arrangement for medical care under the Scheme should be made by the State Government. It also provides for the sharing of the cost between the State Government and the

Corporation by agreement, and in default of an agreement for decision by an Arbitrator appointed by the Chief Justice of India whose award is binding on both parties.

The Scheme envisaged the provision of medical and cash benefits to about 20 lakhs* of employees all over India in the first instance. This was no small task. Lack of experience dictated a cautious approach. It was, therefore, decided to introduce it as a pilot project in Delhi and Kanpur and to utilise the experience so gained in further implementation. This decision precipitated the first major crisis. The employers in these areas strongly represented that the proposal would place them under a competitive handicap. It was pointed out that while the employers in the 'implemented'** areas would shoulder the burden of contributions those in the 'non-implemented' areas would be immune from such a liability. A solution was ultimately found by an amendment of the Act in 1951 under which the employers' contribution, which under the original Act, was payable in 'implemented' areas only, was spread over employers throughout the country. The Act as amended requires employers to pay $1\frac{1}{4}\%$ of the wages as a contribution in 'implemented' areas and $\frac{3}{4}\%$ in 'non-implemented' areas, the Central Government being empowered to raise the rates gradually as and when necessary. On the other hand, the employees' contribution is payable only in the 'implemented' areas, and remains, as in the original Act, at about $2\frac{1}{4}\%$ of the wages.

The extension of the Scheme to other areas was not altogether smooth-sailing. To begin with, considerable difficulty was experienced in "selling" the Scheme to the State Governments. They found it generally difficult not only to share the cost but also to provide medical facilities of the prescribed standard. About the close of 1953, it seemed that any further extension of the Scheme might have to be postponed indefinitely as the two State Governments which had the largest concentrations of industrial workers insisted that they had not the resources to meet the financial liability which would fall upon them. This called for a fresh approach on the part of the Corporation—an approach of personal contact, persuasion and negotiation. It had to be explained to the State Governments that under the arrangement for the

* 10 lakhs=1 million.

** areas in which the Scheme has been brought into force.

sharing of the cost of medical care between the Corporation and the State Governments, the latter would be able to provide medical care of a higher standard for an important and increasing sector of the population at a comparatively smaller cost. Nevertheless, when a certain State Government with a large insurable population could not see its way to agree to share the cost of medical benefit in the proportion of one-third as originally decided upon, the question had to be reviewed and the proportion reduced to one-fourth for *all* State Governments.

While the resistance of the State Governments to the implementation of the Scheme in their States was thus overcome mainly by persuasion and negotiation, the difficulties arising out of disagreement over matters of detail, *e.g.* strength of staff of dispensaries, lists of special medicines, allowances to specialists and other kindred matters were to a great extent surmounted by the adoption of standard yardsticks which were recommended by the Medical Benefit Council and approved by the Standing Committee. This device of adopting standard yardsticks has incidentally also brought about a great deal of all-India uniformity in these matters. Uniformity is much to be desired in the administration of a Social Insurance Scheme.

Work Planning and Control

(i) Progress Control Chart

The introduction of the Scheme in an area calls for the synchronization of action on the part both of the Corporation and State Governments. The State Government has to arrange for the provision of medical care and the Corporation has to register all insurable employees and to set up a network of local offices to receive and pass claims for cash benefits. In these measures, the cooperation of the employers and employees is also essential. The Corporation has obviously to ensure that before the Scheme is introduced necessary preliminaries have been completed by the Corporation and the State Government. After some unfortunate experiences in the early years the Corporation had to change its approach and methods so as to provide closer planning, control and coordination of the various steps to be taken. It also required a new 'action-minded' approach—a sort of military approach where different units of the "Corporation

Forces" and "Allied Forces" assigned specific roles, had to be geared to a prescribed time schedule so as to be ready for action on the Appointed Day. With this end in view, a Progress Control Chart (Figures 2-3, pp. 156-58) was devised early in 1954 showing the various steps to be completed by the State Government, the Corporation and the Central Government. Each step was assigned a Code Number and a time schedule was laid down for its completion with reference to the Appointed Day. The Chart accompanied by explanatory notes was circulated to the State Governments and the Regional Offices of the Corporation.

The adoption of the Progress Control Chart aimed at ensuring orderly and synchronous action in priority of sequence over multiple activities in fields of divided responsibility. A Control Room at the Headquarters received weekly progress reports on the coded steps for each implementation area, *i.e.* area in which the Scheme was to be put into effect. This gave the Headquarters a good grip over the problems and it became easier to locate spots where work was not progressing according to schedule and to take speedy and appropriate action.

It need hardly be emphasized that the failure in keeping to schedule in respect of any of the steps to be taken before the implementation, can cause delay. Any one of the various parties may raise issues which might throw the whole time schedule out of gear. Thus, in some cases, after the arrangements had been started, employees refused cooperation unless provision was also made for medical care for their families. Negotiations with the medical profession regarding the terms of service of panel practitioners also delayed the implementation of the Scheme in certain areas. While negotiations proceed or other similar problems are being tackled, expenses on rent and salaries have to be incurred in the hope that the solution may be round the corner. A certain amount of such unfruitful expenditure is unavoidable in any scheme of shared responsibility. Efficient coordination can help only to keep it to the minimum but not to do away with it altogether.

The planning and control of work through the device of the Progress Control Chart soon paid dividends. The Scheme was gradually extended to new areas such as Nagpur, Bombay, Madhya Bharat (4 centres), Coimbatore, Hyderabad, Calcutta City and Howrah District, Andhra (7 centres), Madras City,

Lucknow, Agra and Saharanpur. The coverage of insured persons increased from 1.5 to 10.15 lakhs during the period July 1954—January 1956.

(ii) Work Methods and Procedures

The weeding out of insured persons who had ceased to be entitled to medical care presented an interesting problem. Under the Act, an insured person is entitled to medical care while he continues to pay contributions, but by regulation, this title can be extended for a further period also. The system initially adopted was that on registration, every employee was handed over an identity card which was his title to receive medical treatment. There was, however, no satisfactory way of withdrawing the identity cards when insured persons ceased to contribute. In the areas where medical benefit was given under the service system, continuance of such persons in the Scheme involved unjustified expenditure on medicines and strain on the medical and ancillary staff. But in areas where medical benefit was administered under the panel system, the problem was even more serious. The panel doctor was paid a capitation fee in respect of every person registered with him whether or not he claimed any treatment. A very large number of persons entered only temporarily in insurable employment and if the entitlement of these insured persons to medical care was not withdrawn as soon as they left the employment, it meant serious financial loss. It was, therefore, provided by regulation, that the first entry to insurable employment will give a right to medical benefit for 13 weeks only. If, however, the employee has paid 12 contributions the right gets extended to between 13—15 months. To make the provision effective, no permanent identity cards are *now* issued during the first 13 weeks of insurable employment and for this period a temporary identification certificate is given, having currency for 13 weeks only. As the certificate automatically expires after this period, the insured person ceases to be entitled to medical care if he does not continue in insurable employment after 13 weeks.

A system has also been evolved to weed out employees with less than 12 contributions in a contribution period or with no contributions at all and periodically exit cards are issued in respect of them. This is, however, not the end of the problem, since, in quite a few cases, such exit cards get issued in respect of employees who had regularly paid the

contributions but whose employers had not sent the contribution cards in time to the Corporation. To meet this contingency, notices are issued to employees asking them to produce certificates of continued employment. This enables them to receive medical care till they are re-entitled. This procedure is cumbersome but a simple or a more foolproof solution to this problem is yet to be found.

Insured persons entitled to cash benefits had to visit the Local Offices of the Corporation at least twice, once to file their claims and again to receive payment. As this was often hard on sick and disabled persons, and also resulted in heavy crowding at Local Offices, the Corporation has recently decided that where the cash benefit involved is within Rs. 20 it may be remitted to the insured person by money order at the expense of the Corporation.

Originally, Local Offices of the Corporation worked for the same hours as Government offices, *i.e.* 10 A.M. to 5 P.M. These hours did not, however, suit the convenience of insured persons in all centres. After consulting the employers and trade unions concerned, the hours of Local Offices in various areas have therefore been adjusted so as to suit the convenience of insured persons. Similarly, efforts were made, wherever possible, to site the Local Offices near State Insurance dispensaries so as to save trouble for those who have to visit both.

In March 1955, a Memorandum was issued to all the Regional Directors inviting suggestions for any alteration or simplification of the procedures in vogue which would promote greater efficiency or economy. The Regional Directors were told to bring the Memorandum to the notice of every officer and member of the staff employed in their regions. The circular met with a good response and a large number of useful suggestions were received, particularly from the staff who had practical experience in the working of the procedures. Useful suggestions were also made by employers and employees during the visits of the Sub-Committee mentioned further below. Some of the suggestions have been given effect to and others are under consideration.

(iii) Forms and Records

The large volume of operations has necessitated the standardisation of most records and communications, into

about 300 different standard forms. In the earlier stages, forms were printed on an *ad hoc* basis which at times led to shortages. However, detailed yardsticks of requirements have since been evolved on the basis of the past experience and adequate and timely supplies are assured by careful planning.

A related problem concerned the maintenance of records for insured persons. In respect of each insured person, records had to be maintained for reference, for his identification, for his medical history and in regard to the contributions paid for him and the benefits granted to him. For this purpose, seven separate documents had to be prepared in respect of each insured person and the problem of reproducing all the particulars for such a large number of persons on each document within a reasonable period of time, was solved by recourse to partial mechanisation. The magnitude of the arrangements will be apparent from the fact that in respect of Bombay alone, over 28 lakh documents were actually got ready within four months.

Personnel Management

(i) *Staff Complements*

In the beginning the Regional Offices and Local Offices had to be staffed on an *ad hoc* basis. As the work of the Corporation developed and experience was gained, a rationalisation of the staff depending on the concentration of insured persons catered for and the number of benefit payments involved, became a prime necessity. An assessment of workloads was undertaken in 1954 and 1955 on the basis of time and motion studies and otherwise and standard yardsticks for staff in Regional Offices and in the various categories of Local Offices were fixed. A reorganisation of the Headquarters Office was also undertaken. These measures resulted in economies to the extent of nearly Rs. 4 lakhs per annum.

(ii) *Recruitment and Training*

The Employees' State Insurance Act provides that all appointments to posts carrying a maximum salary of Rs. 500 and above per month shall be made in consultation with the Union Public Service Commission. The recruitment to other posts is the sole responsibility of the Corporation. Early in 1954, a new policy of recruitment was framed. It

was decided to make all further recruitment at the Headquarters and in the Regions, except for Class IV posts by a competitive test. Recruitment in the Regions was to be made by Selection Committees consisting of one representative each of the State Government, the Corporation, and employers' associations and employees' organisations. In order to evolve uniform and objective standards throughout the country, elaborate instructions were laid down regarding qualifications for various posts, selection of applicants for the test, conduct of examinations, evaluation of papers, interview procedure and the like matters. As Scheduled Castes and Tribes were not adequately represented, a special recruitment for these classes was made in July 1955 at both the Headquarters and in the five Regions, after necessary advertisement and publicity. Scheduled Caste and Tribe candidates are also given out of turn appointments in general competitive tests.

For a successful working of any scheme, training of the staff assumes great importance. This aspect of the organisation has never been lost sight of by the Corporation. The earlier batches of Local Office Staff and Insurance Medical Officers were trained by the officers of the Corporation who had helped in drawing up the original procedures. When the Scheme had been implemented in Delhi and Kanpur, it became necessary to develop a nucleus of officers of experience who could be entrusted with the responsibility for training the new staff that would have to be engaged with the further expansion of the Scheme. With the help of an I.L.O. expert two batches of such officers were given a short but intensive course of instruction in the methods of training. Training material on the law and procedure of the various aspects of the Scheme was prepared. Before the Scheme is launched in any area, the new staff engaged is trained by one or more of these officers or other officers who have since received training and acquired sufficient experience of the practical working of the Scheme. Similar training is also arranged for the employers' staff in all the new areas; but in this case the instruction covers only a broad outline of the Scheme with emphasis on the role which the employers play in its working. The entire training whether for the staff of the Corporation or for Insurance Medical Officers or for Panel Doctors or for employers' staff is planned with a bias on the practical aspect of the work.

Improvement in the Standard of Medical Benefit

While putting on a spurt to the implementation of the Scheme and attending to various administrative problems, it became evident that certain improvements had also to be undertaken in the standards of medical care as well as in various measures for the convenience of insured persons. Originally, medical care consisted only of out-door medical treatment supplemented with domiciliary visits, where necessary. This scale has been improved considerably by including specialist care in medicine, surgery, gynaecology and mid-wifery, ear, nose, throat, eye and skin diseases and tuberculosis. Even in small centres where special arrangements are not made, these specialist facilities are made available as far as possible at existing Government hospitals. Hospitalisation is also now being provided on the scale of approximately 2 beds per 1000 employees. These beds are provided as a temporary measure in private and Government hospitals and this is to be followed by the construction of annexes to existing hospitals or of separate hospitals where the number of beds required exceeds 100. All necessary drugs including all the latest modern ones, are now available free of charge to insured persons though some of them are only available on prescription by an authorised specialist.

Another hardship to insured persons was that the maximum period of sickness cash benefit, which was for 8 weeks, was most inadequate for persons suffering from tuberculosis. The Corporation has recently granted extended cash and medical benefits for regular employees suffering from tuberculosis subject to certain qualifying conditions.

As an additional benefit, the Corporation has recently decided to provide artificial limbs to insured persons who have lost them as a result of employment injury.

Evaluation of the Working of the Scheme

In order to review the overall working of the Scheme, the Corporation set up in February 1955 a Sub-Committee consisting of the Director-General, two representatives each of employers and employees and one of the medical profession. The Sub-Committee has made a first-hand study of the working of the Scheme and has so far submitted two reports one of which covers Kanpur, Delhi, Punjab, and Bombay, and the

other Nagpur, Coimbatore and Hyderabad. The objective and critical appraisal of the Scheme made by the Committee in its first report was found very useful and the Corporation has decided that it should continue on a permanent basis.

Operational and Financial Flexibility

A question which is frequently asked is to what extent does the experience of the Corporation bear out the common concept that the constitution of quasi-governmental organisations of the corporate form makes for operational and financial flexibility which is not found under departmental management. The Employees' State Insurance Corporation was one of the first quasi-Government organisations to be set up and in the absence of any previous experience it naturally adopted administrative and financial principles observed by Government Departments. Two key members on the Standing Committee, viz. the Chairman and the representative of the Ministry of Finance are Secretaries or Joint Secretaries of the Ministries of the Government of India. The Principal Officers are largely drawn on deputation from Government Departments and are accustomed to think and act on traditional Government lines. As a result Government rules and regulations are mostly followed. It is further true that not only have the Medical Benefit Council, the Standing Committee and the Corporation to be consulted but also the Central Government and, in matters relating to medical care, the State Government, before any important action can be taken. But neither this nor the adoption of Government rules and regulations in general seem to have in any way hampered the progress of work. The Director-General has fairly wide powers delegated to him by the Standing Committee especially in matters of internal administration. The Regional and Local Offices enjoy a considerable degree of operational freedom in disbursement of cash benefits and their dealings with employers and employees in this respect. Furthermore, it must not be forgotten that the Corporation deals with the administration of a social service, and not with a public enterprise of an industrial or commercial character. While the corporate form has helped to give employers and workers and State Governments a share in policy formulation and overall administration through representation on the Corporation and its Standing Committee—the chief executive organ, the observance of Government rules and

regulations in general *combined with considerable delegation of authority and responsibility to the executive head and the regional and local levels* ensures a high standard of service and the most economical use of the contributions collected from employers and workers. The present arrangements, therefore, in the writer's opinion combine the best of the two—the checks and balances of departmental management and the operational flexibility of the corporate form.

Conclusion

The Employees' State Insurance Corporation was set up to provide certain benefits in the first instance for factory workers. Though it has taken firm steps in that direction it has yet to attain the goal of extending these benefits to all the 20 lakh of factory employees. The Scheme is a co-operative endeavour by several parties to serve the good of its beneficiaries. In a broader sense by promoting the common good, it makes for unity, social peace and security. The common good is a thing ethically good and not merely a collection of individual interests and prerogatives. The medical profession has a duty to ensure correct certification; employers must fulfil their obligations under the procedures; employees must seek certification only when they are incapacitated; and Governments should conform in spirit to the standard of medical benefit adopted by the Corporation. The future of the Scheme will depend on the extent to which the Corporation in rigorously pursuing the *bonum honestum (dharma)* is able to implement its decisions.



Editorial Notes

In presenting this issue of the *Journal* we would like to invite special attention to three items which are of immediate and particular interest in the context of India's Second Five Year Plan so recently launched.

The Plan envisages a large expansion in the industrial field in the public sector and the problem of finding the right type of men and methods for the successful operation of public enterprises has been receiving anxious consideration on all sides. We were, therefore, particularly happy to have received the valuable contribution from Shri R.G. Saraiya.

Also in this issue will be found a digest of the Report of the Committee of Enquiry into the Electricity Supply Industry, which was appointed by the British Ministry of Fuel and Power in July 1954 to enquire into the organisation and efficiency of that industry. The Committee's conclusions offer much food for thought and material for guidance to the authorities in India concerned with the planning and management of national undertakings.

The problem of finding personnel required for the Plan consistently with the maintenance of the "merit system" and equality of opportunity, is also causing serious and immediate concern. The address by Mr. Philip Young, Chairman of the U.S. Civil Service Commission to the last Annual Conference of the American Society for Personnel Administration, which we reproduce in this issue, is of particular relevance to India where there has been a growing tendency to regard the Public Service Commissions as watchdogs and policemen rather than as *aides*—albeit independent—to the Executive Government in the very important task of finding the right men for the right jobs.

Our section on "Digest of Reports" has been very much appreciated. We naturally try to keep abreast of events in this field, but it may well be that some important reports produced by eminent bodies may escape our notice. The cooperation of our readers would be an added insurance against such omissions. Readers who come across such items are cordially invited to draw our attention to them.

—Editor.

Director's Quarterly Report

(April—June 1956)

I. Second Annual General Meeting

The Second Annual Meeting of the General Body of the Institute was held at Sapru House at 4 p.m. on the 7th April 1956. Shri Jawaharlal Nehru, President of the Institute, was in the Chair.

The meeting passed the annual accounts and adopted the annual report for the year 1955.

Shri Jawaharlal Nehru was unanimously re-elected as **President** for the year 1956-57.

Shri S.B. Bapat was re-elected to the office of the **Honorary Treasurer**.

The results of the elections held in February 1956 were announced, and the following 15 candidates were elected to the Executive Council for the year 1956-57 :

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|-----------------------------|---|
| 1. Shri Din Diyal | Principal, Municipal Boys' Higher Secondary School, New Delhi. |
| 2. Shri Humayun Kabir | Member, Rajya Sabha. |
| 3. Shri Jai Paul | Formerly Public Relations Officer, (Congress Party in Parliament). |
| 4. Prof. D.G. Karve | Chairman, Standing Sub-Committee of Co-operative Training, Agricultural Credit Department, Reserve Bank of India, Bombay ; and Member of the Standing Committee of the Panel of Economists for the Second Five Year Plan. |
| 5. Prof. S.V. Kogekar | Head of the Department of Economics and Politics, Ferguson College, Poona. |
| 6. Shri V.T. Krishnamachari | Deputy Chairman, Planning Commission. |

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|--------------------------|---|
| 7. Shri H.C. Mathur | Ex-Member, Rajya Sabha. |
| 8. Prof. M.V. Mathur | Head of the Department of Economics, University of Rajputana, Jaipur. |
| 9. Prof. V.K.N. Menon | University Professor of Politics, and Director, Institute of Public Administration, Patna University. |
| 10. Dr. Seeta Parmanand | Member, Rajya Sabha. |
| 11. Shri H.M. Patel | Secretary, Ministry of Finance, (Department of Economic Affairs) Govt. of India. |
| 12. Shri S. Ranganathan | Jt. Secretary, Ministry of Works, Housing & Supply, Government of India. |
| 13. Dr. K.N.V. Sastri | Retired Professor of History and Politics, Mysore University. |
| 14. Shri N.K. Sidhanta | Vice-Chancellor, Calcutta University. |
| 15. Shri Y.N. Sukthankar | Cabinet Secretary and Secretary, Planning Commission, Government of India. |

II. Cooption of Members to the Executive Council 1956-57 under Rule 14(1)

The elected members of the new Executive Council met on the 8th April, 1956 and coopted the following five additional members to the Executive Council as required by Rule 14(1) of the Rules of the Institute :—

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|---------------------------|---|
| 1. Shri R.N. Agrawala | President, Delhi Municipal Committee. |
| 2. Shri G.L. Bansal | Member, Lok Sabha, and Secretary-General, Federation of Indian Chambers of Commerce & Industry. |
| 3. Shri N.V. Gadgil | Member, Lok Sabha. |
| 4. Shri L.P. Singh | Chief Secretary to the Government of Bihar, Patna. |
| 5. General S.M. Srinagesh | Chief of the Army Staff. |

III. Election of Chairman of the Executive Council and Vice-Presidents of the Institute

The re-constituted Executive Council met on the 10th May, 1956 and elected the following additional office-bearers :

Chairman of the Executive Council

Shri V.T. Krishnamachari	Deputy Chairman, Planning Commission.
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Vice-Presidents of the Institute

Pandit Govind Ballabh Pant	Minister for Home Affairs, Government of India.
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Shri C.D. Deshmukh	Minister for Finance, Government of India.
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Shri Gurmukh Nihal Singh	Chief Minister, Delhi State.
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Pandit H.N. Kunzru	Member, Rajya Sabha; President, Indian Council of World Affairs.
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IV. Seminar on the Study and Teaching of Public Administration at the Indian Universities

A Seminar on the Study and Teaching of Public Administration at the Indian Universities was held at New Delhi on the 11th and 12th May, 1956. The Seminar was opened by Shri Gurmukh Nihal Singh, Chief Minister, Delhi State, and a Vice-President of the Institute. It was attended by 26 delegates and observers from 15 Indian Universities, over half a dozen members of the Executive Council and a few distinguished guests. The agenda for discussion covered (i) Objectives of Teaching of Public Administration, (ii) Courses in Public Administration and their Content, and (iii) Teaching Staff, Methods and Materials.

Mr. Paul H. Appleby attended and addressed the Seminar by special invitation.

The minutes of the Seminar are being published separately.

V. Amendment of the Institute's Rules

At its meeting held on the 8th April 1956, the Executive Council set up a Sub-Committee under the Chairmanship of

Shri N.V. Gadgil to consider and recommend amendments to the Rules of the Institute. The Sub-Committee has held two meetings and prepared certain draft amendments which will be placed before a *special* meeting of the General Body to be held some time in the second half of August 1956.

VI. A Full-time Director for the Institute

The absence of a whole-time Director has so far prevented rapid implementation of the programme of activities of the Institute. This handicap will shortly be removed when Shri V.K.N. Menon, Professor of Political Science and Director of the Institute of Public Administration, Patna University, takes up the post of the full-time Director in the first week of August 1956.

VII. Foreign Contacts

During his recent 110-day global tour, Prof. D.G. Karve, founder-Director of the Indian Institute of Public Administration, visited the Tennessee Valley Authority where he had useful discussions on the budgetary procedure and financial control and personnel recruitment and administration. He further visited the Public Administration Clearing House, Chicago, and discussed with its authorities the ways and manner in which the P. A. C. H. could assist the Indian Institute in developing its programme of activities. At Washington, Prof. Karve made a special study of the methods and procedure adopted by the U.S. Civil Service Commission for bulk recruitment.

During his tour of the U.K., Prof. Karve called on Mr. Raymond Nottage, Director of the Royal Institute of Public Administration, London, and Mr. D.N. Chester, Warden of the Nuffield College, Oxford, and the Editor of *Public Administration*. He also paid a visit to the Home Office, the Scotland Yard and other police authorities to study the problems of recruitment of police officers at a common level and the decentralization of police functions.

In Switzerland, Prof. Karve observed and discussed a referendum and an initiative held in connection with a case of public vs. private ownership of a wood-fuel factory, set up by the Swiss Government during the last war.

News from India and Abroad

AUSTRALIA

An Administrative Staff College for Australia

An Administrative Staff College on the lines of the one at Henley-on-Thames, England, is being established in Australia. The college has the support of a large number of leading industrial and commercial undertakings in that country. The importance attached to this institution is reflected in the selection of so eminent a personality as Sir Douglas Copland, the Australian veteran economist, ex-Price Commissioner and former High Commissioner in Canada, as its first principal.

CANADA

Recruitment of University Graduates to the Federal Service

In order to overcome the chronic shortage of technical personnel, the Canadian Civil Service Commission have decided to send recruiting teams to the various Canadian universities to recruit some 1,000 graduates for continuing employment in the Federal Government and 1,400 undergraduates for summer work. The Commission hold that superior graduates make good progress in the public service. The growing requirements for both graduates and undergraduates reflect the increased emphasis which the Canadian Government is placing on university training in its recruitment policies.

37½-Hour Week for Federal Service Employees

The Canadian Civil Service Commission have recently announced a 37½-hour week for office workers in the Federal civil service. This will apply to about 100,000 civil servants in the administrative and clerical ranks. It reduces the work week by fifty minutes. For those on the five-day week—over ninety per cent. of the service—the new schedule means a reduction of 10 minutes a day, thereby establishing 7½ hours as the normal work day. This conforms to the prevailing practice in business and industry. For those working 6 days a week it would mostly involve a rearrangement of Saturday hours leaving the normal seven-hour day intact.

INDIA

Recruitment to Ministerial and other Non-Gazetted, Non-Technical Posts in Bihar through the State Public Service Commission

Following the example of Madras where the system of centralised recruitment to ministerial (non-gazetted posts) has successfully been in force for several years, the Government of Bihar have formulated a

scheme for recruitment of candidates to the ministerial and other non-gazetted, non-technical posts, through the State Public Service Commission. A single competitive examination will be conducted by the Commission once a year, at each district headquarter. It will comprise five papers : one each in vernacular language, English, practical arithmetic, and general knowledge, and a special paper to test intelligence 'on the lines of the tests conducted in the Army—the questions being designed to ascertain, not how much the candidate knows, but how quickly and well can he think'. There would also be a *viva voce* test for posts involving field duties, e.g., *Gram Sevaks* (Village Level Workers). There would be a similar examination of a slightly higher standard for direct recruitment to the Upper Division posts in the District and Regional Offices. (The latter examination may even be combined with the former.)

Decentralisation of Administrative Control in the Punjab

The Punjab Government have opened 15 new Sub-Divisions at tehsil headquarters with a view to decentralising the administration in the State. Considerable authority will be delegated from the Deputy Commissioner to the S.D.O. (Sub-Divisional Officer). Work regarding local bodies, motor taxation, renewal of arms licence, passports, market committees, and Panchayats will now be done in Sub-Divisions. The Sub-Divisional Officer will be free to devote most of his attention to development and executive work. A 'General Assistant' is also being posted in every district to act as the Deputy Commissioner's "Principal Administrative Officer", to keep a vigilant control over the office, and to look into complaints against the office and other public grievances.

Departmental Promotion Committees

The Himachal Pradesh Government have appointed 3-member Departmental Promotion Committees for considering promotion to Class I posts under the State Government (except those of Chief Secretary, Finance Secretary and the Inspector-General of Police). The Committees have a member of the U.P.S.C. as Chairman.

Direct Access to the State Chief Secretary by State Employees

The Government of Punjab have issued orders which allow every member of the Civil Secretariat staff, irrespective of his status, to meet the Chief Secretary without the prior sanction of his immediate superior official. The Delhi Government have also issued a similar order in regard to "all public servants serving in the Delhi State".

In-service Training for Rajasthan State Employees

The Rajasthan Government have started a 2½-month refresher course for training permanent ministerial staff of the State Secretariat. The classes are held for 1½ hours during the office time. Instruction covers Rajasthan Secretariat Manual, Classification, Control and Appeal Rules, General Financial Rules, etc. At the end of the course the trainees appear at a test.

Prison Reforms in Delhi

The Delhi State Government have appointed a 14-man Committee to recommend prison reforms in the State. The Committee has been especially asked to examine the question of physical and mental rehabilitation of prisoners after release. It will also go into the question of jail industries and suggest ways of making them remunerative.

Special Police Officers in U.P. Districts to Investigate Complaints Against State Employees

In the drive to eradicate corruption, the Government of U.P. have introduced a new 'Complaints' Scheme. A Deputy Superintendent of Police (Complaints) has been posted in each district, under the local Superintendent of Police, to conduct enquiries and investigation into complaints of corruption, extortion, harassment, and acts of wilful vindictiveness, made against the non-gazetted employees of the State Government.

Separation of the Judiciary from the Executive

With effect from the 1st June of 1956 the Government of Mysore have separated the Judiciary from the Executive. Functions which are essentially judicial, e.g., the trial of criminal cases, have been transferred from the Deputy Commissioner and from the Magistrates subordinate to him, to judicial officers to be known as the "Judicial Magistrates" who will not be under the control of the Deputy Commissioners. Functions which relate to "police" matters and are of administrative character will continue to be discharged by the Deputy Commissioner and the Revenue Officers subordinate to him, who will be called the "Executive Magistrates".

Through an executive order the Punjab Government have also separated the Judiciary from the Executive, in five districts in the State.

Revenue Collection Powers for Panchayats in Bombay

By a recent amendment of the Bombay Land Revenue Code 1879, the Government of Bombay have given to village Panchayats the powers to collect land revenue and other dues of recovery. This would enable them to function more efficiently as basic units of local self-government. Panchayats which are entrusted with these functions will receive remuneration at rates to be determined by the State Government at a later date. It is also intended that such village Panchayats should have the *talathis* of the villages as Secretaries.

An Industrial Management Research Unit for Planning

The Indian Statistical Institute has set up an Industrial Management Research Unit for Planning, with headquarters at Bangalore. The main functions of the new research unit are : (1) to study and report on the nature of organisations most suited for State enterprise, (2) to formulate methods for maximum utilisation of resources, (3) to

investigate problems in relation to industrial relationships, and (4) to supply technical data for work connected with long-range planning.

PHILIPPINES

Personnel Officers in the Civil Service

The President of the Republic of Philippines has ordered the appointment of Personnel Officers in various departments, bureaux, offices or agencies of the Government, according to their organisational needs. In addition, the chief responsibility for providing assistance and leadership in personnel matters has been vested in the Personnel Services Division of the Bureau of the Civil Service. A suitable training programme for Personnel Officers is also being developed.

UNITED KINGDOM

Recruitment and Training of Hospital Administrative Staffs

On the basis of the recommendations made by the Whitely Council for Administrative Staffs, the British Government have formulated a national scheme for the post-entry training and further education of administrative and clerical staffs in the hospital service, for improved standards of recruitment for junior staffs, and for the special selection of officers who might be expected to be capable of filling senior administrative posts. The important features of the scheme are :

1. Assistance for young people under 18 years of age to continue their general education by grant of leave to attend classes, payment of tuition fees and excess travelling expenses, loans of textbooks, etc.
2. Provision for training "on the job" and the seconding of clerical and administrative officers to departments or authorities other than those in which they are serving to enable them to obtain a wider administrative experience.
3. Assistance for officers under 30 years of age to undertake external training of value to the National Health Service, grant of facilities to attend evening classes and to take examinations, financial assistance in respect of tuition and examination fees, travelling allowances and the like.

UNITED STATES

Extension of the Merit System to Overseas Jobs

In recent months the U.S. Civil Service Commission have extended the merit system to cover certain overseas jobs, both military and non-military. The first step in this direction was taken in April 1956 when the competitive service was extended to about 20,000 positions in foreign countries under the Departments of Defence, Army, Navy and Air Force. In May, further action was taken to cover

non-defence jobs in federal agencies, occupied by U.S. citizens and located in foreign countries. The positions involved are those which were or are, under Schedule A of the U.S. Civil Service Rules, excepted from recruitment through the U.S. Civil Service Commission, for the reason of being outside the continental limits of the United States.

The new arrangements will not only extend the application of the merit principle to filling overseas jobs but also permit and stimulate the interchange of personnel between the overseas and domestic competitive positions under the normal civil service regulations.

Annual Performance Ratings Abandoned in Post Offices

The U.S. Post Office Department has abolished the system of annual performance ratings. Instead of rating employees annually as "satisfactory", "unsatisfactory" or "superior", supervisors have been instructed to make a "continuous evaluation" of the work done by employees under them. Employees doing exceptional work will be recommended for advancement, while steps will be taken to improve the performance of employees whose work is below standard.

Written Test for Engineering Jobs in Lieu of Professional Degree

The U.S. Civil Service Commission have recently announced that candidates for professional engineering positions at grades GS-5 (\$4,480 a year) through GS-12 (\$7,570 a year) in all Federal agencies will have to pass a written test if they do not meet the basic educational requirement of a bachelor's degree in engineering. This, the Commission feel, is a fairer method of determining whether persons without full engineering education are capable of performing professional work. The tests are not memory tests, since competitors will be permitted to use the reference books during the examination. The new plan is designed to encourage government agencies to give more consideration to outstanding technicians who do not possess the full qualifications required for professional work. It may also facilitate selection for some hard-to-fill vacancies by appointment, promotion or re-assignment.

Relinquishment of Part-time Jobs

The Civil Service Commission have revoked the wartime regulations permitting the Federal employees to hold part-time State, Territorial or Municipal jobs. The Federal employees holding such jobs will have to relinquish them by January 1957, or, if hired for a certain period, they may continue up to the end of that period.

The Commission have, however, elucidated that the revocation of these wartime regulations will not disturb the rights of federal employees to be elected or appointed to local government offices in certain communities in the immediate vicinity of the National Capital and in areas where the majority of voters are Federal workers. These rights are granted by the Commission, on a community basis, under the provisions of Section 16 of the Hatch Act.

Digest of Reports

U. K. MINISTRY OF FUEL AND POWER. COMMITTEE ON INQUIRY INTO THE ELECTRICITY SUPPLY INDUSTRY. REPORT. *London, H. M. S. O., 1956. viii. 189p. Cmd. 9672. 6s 6d.*

The Committee was set up in July 1954, with Sir Edwin Herbert, LL.B., as the Chairman to enquire into the organisation and efficiency of the electricity supply industry in England and Wales in the light of its working under the Electricity Act 1947, and to make recommendations. The main recommendations made in its report, which was submitted to Parliament in January 1956, briefly are :—

Aims and Performance of the Industry under Nationalisation

(i) The provisions of the Electricity Act require the industry to conduct itself as a commercial concern and to be self-supporting. The governing factor in the minds of those running the Boards should be that it is their duty to run them as economic concerns and to make them pay. The Electricity Act does not require the industry to supply electricity on uncommercial terms to any customer or class of customers nor to conduct itself in such a way that it would have to face higher costs than a private business would face in similar circumstances. The determination of the national interest is the business of the Government. *It is not for the industry to embark in the supposed national interest on any course other than a purely economic course unless so instructed by the Minister subject to his responsibility to Parliament.*

(ii) The degree of public accountability expected of the industry should not be such as to impair its commercial enterprise and efficiency. On questions of policy and direction the industry must at all times be prepared to give an account of its stewardship through appropriate channels. But if the public insist on having an answer on every point, which they would never dream of doing in a private concern, they must put up with the inevitable bureaucracy and rigidity they themselves bring into being.

Structure and Organisation of the Industry

(i) The present organisation is in certain respects less well-adapted for the industry's future needs than to the initial tasks of amalgamating the industry following its nationalisation. The industry should continue to be organised on the basic pattern of a series of Area distribution Boards buying electricity from a generating Board.

(ii) The present mixture of supervisory and executive functions within the Central Electricity Authority makes it difficult for the Authority to exercise effective and impartial supervision over the

industry as a whole and creates confusion and friction in the industry. The Central Authority's present responsibility for generation, including the construction and operation of the power stations, grid and super-grid, should be transferred to a new statutory corporation which might be called the Central Electricity Generation Board. The latter should have a full-time Chairman, completely free of special duties, and four to six other members who should in the main be full-time.

(iii) The Central Authority should have statutory powers to issue formal directions to the Area and Generation Boards in regard to development programmes, capital and revenue budgets, depreciation policy and reserve funds, bulk supply and retail tariffs, complaints by consultative councils or individual consumers, research and development and negotiating and advisory machinery; these powers should be exercisable only after consultation with and approval by the Minister. It should further seek to create for itself a reputation of being at once judicious and stimulating and should see its main duties as keeping the industry on its toes and critically reviewing the Boards' policies, programmes and expenditure.

(iv) The reconstituted Central Electricity Authority should comprise three full-time members, one of whom would be the Chairman, and four part-time members; serving members of the statutory Area and Generation Boards should not be eligible for membership of the Central Authority. The qualifications required of members of the Authority should not be statutorily defined: it should be left to the Minister to choose the most suitable men he could find. The industry has not yet solved the problem of the right degree of delegation within the formal framework. Partly, no doubt, as the result of anxiety over public accountability there is a tendency to do work in whole or part several times over at different levels and an unreadiness to trust the field commanders with the power and responsibility that they ought to have. *More should be left to the discretion of subordinate officials and if they make mistakes, as they will from time to time, the public must be taught that this is part of the price of delegation that large scale organisations must pay if they are to remain virile.*

(v) It should be for each Area Board to determine the best form of internal organisation for their Area in the light of its terrain, density of population and state of electrical development. The following conclusions from the Committee's own observations are set out for the Board's consideration:

- (a) The concentration of certain specialist services at a limited number of service points in the Area is sound; such centres should be considered as dispersed sections of the Headquarters available to service any management unit of the Board;
- (b) There should be only one management level below the Board Headquarters;
- (c) The number of genuine management districts should be

increased to perhaps 15 or 20 in each Area : the actual size and number of districts in any Area will depend on the local conditions;

- (d) These management districts should be identified with the locality they serve and described as undertakings; and
- (e) Below these undertakings and responsible to them, the organisation would consist of outlying engineering sections and electricity service centres.

(vi) The District Manager should be given the opportunity and the facilities to run his own show and to exercise discretion in his dealings with labour and the public. The District Managers' posts should be used as a training and testing ground for higher managerial positions.

(vii) The part-time members of an Area Board have a valuable and important contribution to make and should be chosen with the utmost care; they should be selected for their individual and collective ability and not as representing any particular interest or section of the community. The Chairman of the Board should be freed from executive responsibilities, which should be exercised by a Chief Executive appointed by the Board. The post of Area Board Chairman should be converted, as opportunity offers, into a part-time appointment. It would be inadvisable for the Area Board to contain any full-time members other than the Chief Executive; the office of Deputy Chairman should accordingly lapse. The Minister should consider appointing the Chief Executive to be an additional member of the Board.

(viii) The Minister should be free to decide the tenure of all Board appointments and to arrange the most suitable term of office for each individual case. He should further be relieved of the existing statutory obligation to consult the Central Authority on the appointment and re-appointment of members of Area Boards.

Personnel

(i) The industry should urgently review the conditions which are causing well-qualified men with the calibre of potential leaders to turn away from the electricity supply industry, and should improve the terms of service, including starting salaries and differentials, for graduate trainees. At present the salaries paid to Board members act as a ceiling for those which the industry can offer its staffs, and compress the differentials between the pay of different grades : this is having serious consequences.

(ii) The Government should urgently reconsider the levels of remuneration of Electricity Board members; if the Boards are to be run as commercial enterprises those who run them must be on a salary level corresponding with their abilities and market value. Relativity with outside industry in the matter of salaries should be accompanied by equal risks in the matter of security of employment; the payment of top

salaries should carry with it the expectation of top performance and Board members should not be retained in office merely because no obvious deficiencies are apparent.

(iii) To ensure a continuing supply of able leaders to fill the top management positions, the industry should have a deliberate system of selective training and posting of able young men, in order that potential leaders may prove their qualities in successive posts and gain the experience which will fit them for higher management.

(iv) The Authority's passive attitude towards redundancy has led to a disinclination of management at all levels to seek out under-employment and to ascertain, by means of work study, operational research and the investigation of restrictive practices, the most effective deployment of manpower. The electricity supply industry should now adopt a more realistic attitude to this problem and should establish what re-deployment is necessary for efficiency; redundant staffs who cannot be transferred to other work should be released on generous terms to facilitate their absorption into other industries.

(v) Up to the present the *esprit de corps* in the industry remains good. There were and are inevitable personal difficulties and problems but the zeal and loyalty of staff taken over from other undertakings in 1948 still remain. It is, however, a matter of concern whether this morale will be maintained in the younger men who in future will have had experience only in the unified industry. The very size of the industry and the remoteness of authority lead to loss of morale unless positive steps are taken to build it up. Too many purely management decisions are taken at the centre. Management decisions must be dispersed while essential controls are maintained. The industry should not aim at having a staff which loyally keeps the rules and obeys the orders, feels secure, and has no sense of personal responsibility for major decisions. The industry must have men as close to the field as possible, capable technically, leaders with initiative and courage. They may strain the machine but over the years the industry will benefit. There used to be great names in the industry. There must be great names in the future not only right at the top—but great engineers, managers and administrators.

Modern Aids to Efficiency

(i) The industry has not done as much hard thinking as it should about the economics of electricity supply. The whole field of public utility economics bristles with difficulties that emerge in terms of investment problems and pricing problems. The avoidance of waste and the efficiency of the industry depend on the right answer being given to these problems.

(ii) The electricity supply industry has been hesitant to introduce operational research and work study, the value of which is increasingly accepted in other industries; the new Central Authority should insist on proper operational research and work study being undertaken as a condition of approving budgets,

(iii) The Electricity Boards should study with the trade unions the possibility of formulating schemes of merit pay and incentive payments which would be related to measurable indices and agreed standards of performance, and the revision of the national pay agreements to permit the local agreement and application in each District of appropriate incentives.

Finance

(i) The price charged for electricity should be sufficient to recover from consumers the real value of the resources used up each year in serving them. In presenting the accounts of the industry the surplus should be stated only after charging for depreciation on this basis. Furthermore, to cushion it against short-run changes in demand and costs and to avoid the need for violent or frequent tariff adjustments, the industry should additionally build up a contingency reserve; for the time being it would not be unreasonable to set aside for this purpose a sum equivalent to one per cent. on the capital employed.

(ii) Beyond the levels suggested above, the industry should not build up reserves for financing its own expansion; to do so would be to impose a compulsory saving on present electricity users for the benefit of future consumers, and could possibly lead to the inefficient use of capital.

(iii) Before resorting to the expedient of raising prices to secure this higher margin of revenue over expenditure, the industry should make a much more vigorous attack upon costs, including the utilisation of capital and manpower.

(iv) The industry should be run purely on business lines. It should have one duty and one duty alone : to supply electricity to those who will meet the costs of it and to do so at the lowest possible expenditure of resources consistent with the maintenance of employment standards at the level of the best private firms. Any deviation from this task should be undertaken only on precise instructions. The line between the Government and the industry should be a clear one for all to see. And if Parliament decides in the national interest that the Boards should pursue policies and incur expenditure which, against normal commercial tests, would be avoided or deferred, the cost of such policies should fall on the national exchequer.

Labour Relations

(i) The new Central Authority should be concerned only to ensure that the labour relations machinery is working well; the operation of the machinery, in concert with the trade unions, at both national and regional levels should be the responsibility of the Generation Board and the Area Boards.

(ii) The Electricity Boards should invite the trade unions to discuss a new definition of the subjects appropriate to the national

negotiating bodies, with the object of leaving the detailed application of the national agreements in the hands of the District and local bodies.

(iii) As the value of joint consultation has come to be more generally appreciated, better use is being made of the advisory machinery. The bodies established for joint consultation should remain advisory in character. The National Joint Advisory Council should review its policy, especially in the field of welfare, and consider the delegation of the widest possible range of subjects to the District and Local Advisory Councils in order to encourage initiative at the lower levels.

Consultative Councils

(i) The Consultative Councils are doing creditable work in safeguarding the consumers' interests. The consultative nature of the Councils and their right to be informed of the Boards' general plans and of tariff proposals should be maintained.

(ii) (a) The representation of local authorities under Section 7(2) (a) of the Electricity Act should be reduced to not less than one-third nor more than two-fifths of the total membership.

(b) Local authorities should be permitted to nominate persons who are not actually elected members of the local authority.

(c) The representation of industry and commerce should be increased.

(d) The Minister should have power to appoint the Chairman of the Council from outside the existing membership.

(iii) A local Council should be set up for each management District of the Area Board. Local Councils should be active on the consumers' behalf and should have close contact with the Board's District Manager.

(iv) Failing satisfaction at Area level, individual consumers and the Consultative Councils themselves should both have the right to make representations on general or specific matters to the Central Authority, and in the last resort to the Minister, provided that in the case of an individual consumer this right may not be exercised until the consumer has first had his case considered by the appropriate Consultative Council.

Powers and Duties of the Minister

(i) The ultimate control of a nationalised industry must be in the hands of a Minister responsible to Parliament; the Minister's powers of giving directions to the Central Authority must therefore be retained.

(ii) The less the principle of commercial operation is invaded the better it will be for the efficiency of the industry. The lines of demarcation between the industry and the Minister should be clear. There should be no doubt as to where the responsibility lies when the industry is acting on other than purely economic considerations.

(iii) The most important task falling to the Minister is the appointment of the members of the Central Authority and the Boards; the other principal duties of the Minister are :

- (a) to satisfy himself through the reports of the Central Authority and the individual Boards that the industry is being run efficiently on a commercial basis or, to the extent that it is not run on this basis, in accordance with the directions issued by him;
- (b) to authorise the amount of capital to be raised and the terms of issue;
- (c) to give the industry precise instructions if and when it is required to act in some way different from what would be dictated by purely economic considerations;
- (d) to decide whether or not to give consent to the issue of directions by the Central Authority.

PLANNING COMMISSION : ENGINEERING PERSONNEL COMMITTEE. 1955. REPORT. *New Delhi, 1956. 49p. Tables and Appendices.*

The Committee was set up in September 1955 under the chairmanship of Shri Y. N. Sukthankar, Secretary, Planning Commission, to undertake an overall assessment of demand and supply in regard to engineering personnel and to make such recommendations as might be essential for ensuring an adequate supply of engineering personnel for the next fifteen years with particular reference to the immediate requirements of the Second Five Year Plan.

The following are some of the important recommendations made by the Committee :—

(1) Supply and Demand Position

- (a) There has been a considerable expansion in engineering education in the country in recent years. Even so, the demand for engineering personnel has outstripped supply. A high level of demand is likely to be sustained in view of the future emphasis on development of heavy industries. There is not sufficient justification for the belief that engineering personnel are surplus to country's requirements. Lack of experience is the main cause for unemployment among

engineers. An engineer may also remain unemployed as a result of temporary imbalance between the supply and demand in certain regions. It is anticipated that in 1960-61, engineering personnel will be in short supply to the extent of about 1,800 graduates and 8,000 diploma holders in different branches.

- (b) There is a certain amount of immobility among technical personnel, especially at lower levels. In spite of incentives that may be thought of for promoting mobility, resistances are likely to persist. The regional aspect of demand and supply has, therefore, to be kept in mind. It is also necessary to create a suitable deployment machinery to coordinate the release of personnel from one project and their absorption in another.
- (c) To meet the shortages, capacity in existing established institutions should be expanded fully. It may be possible to secure in this manner an average increase of 20 per cent. in the out-turn of graduates and 25 per cent. in the case of diploma holders. In addition, 18 colleges and 62 diploma institutions will have to be opened. The total cost of setting up these training facilities (establishment of new institutions and expansion of capacity in existing institutions) will be in the neighbourhood of Rs. 16 crores. It will take three to four years for these additional facilities to yield results. In the interim period, shortages will have to be met by (i) promotion from lower ranks, (ii) more balanced utilisation of available talent, (iii) retention of persons for suitable periods beyond the age of superannuation, (iv) temporary overloading, to some extent, where this is not already being practised, and (v) the organisation of functional training at the supervisory level.

(2) Facilities for Training

- (a) Post-graduate training facilities in engineering subjects should be provided on a wider scale within the country. Engineers who have qualified in specialisations for which demand is likely to develop should be afforded facilities for pursuing advanced work in their chosen fields in (i) design and development wings attached to state enterprises and (ii) engineering and technological institutions. Since demand for specialists has not developed to any considerable extent, it will be more advantageous to continue the present arrangements under which training is more broad-based.
- (b) Functional training for supervisory personnel will have to be continued as a permanent measure, even beyond the interim period, since the additional facilities planned will meet only 60 per cent. of prospective demand. Institutional training for skilled workers, present and future, should be geared to the requirements of employing authorities.

- (c) Industrial establishments should train personnel in advance to meet not only their individual needs, but also the expanding requirements of the country. Voluntary efforts, supported by Government, should be sufficient to meet the needs of apprenticeship training. If sufficient progress is not in evidence, legislation or levy of a cess may have to be considered.
- (d) Foreign training for our engineers should be made more purposeful by advance mapping of fields in which such training is urgently required and ear-marking trainees for suitable positions in the country on successful completion of training. A larger proportion of foreign scholarships should be made available to teachers in engineering institutions.

(3) Standards of Instruction

- (a) While standards in respect of top students in the engineering institutions have been maintained, there is reason to believe that a certain lowering of average standards has taken place. The major reasons for the deterioration in quality are : (i) dearth of teachers of the right calibre, (ii) inadequate facilities for practical training, (iii) ineffective methods of examination and enforcement of standards, and (v) possibly also, insufficiency of equipment in some institutions.
- (b) Standards in engineering institutions should be improved by (i) bringing service conditions for teaching staff on par with those obtaining in executive positions under Government, (ii) sparing competent and experienced men from Government cadres for teaching in colleges, (iii) arranging field experience in industrial enterprises and engineering projects for teachers to help them keep in touch with the progress taking place in current engineering practices, (iv) promoting advanced work and research in universities, (v) making promotions within the teaching line largely on the basis of research work carried out by staff, (vi) allowing serving engineers who display a special aptitude and potentiality for research to enter such work on adequate remuneration, and (vii) encouraging consulting work by university staff.
- (c) Standards of examination should be improved by effecting a partial change in favour of a system which will give evidence of the professional attainments of a student rather than his power to memorise. As an incentive for better performance, employment should be guaranteed to students who top the lists in the examinations.

(4) Conditions of Service

- (a) 'Flight' of personnel is an organisational problem and is tied up with differences in salary scales, security of tenure and regional preferences. The long-term interests of temporary engineers engaged on development projects should be

protected. States should agree to a common line of action for the evolution of uniform conditions of service for personnel engaged on development schemes. A suitable authority should be set up by agreement between the States and the Centre for (i) regulation of salary scales and security of tenure and (ii) allocation, inter-State movement and welfare of personnel engaged on development projects outside the regular cadres.

(b) Technical and scientific personnel should be introduced at suitable levels in the general administrative machinery, especially to hold posts where their experience is of value. The Central Government should explore the possibilities of instituting a suitable All India Service of Engineers by common consent of the participating States.

(5) Recruitment

- (a) In addition to physical shortages, rigidity in recruitment and financial procedures create difficulties. These should be suitably resolved. The practice of advance recruitment of technical personnel and their training prior to posting should be adopted on a wider scale.
- (b) Flexibility and speed have to be secured in recruitment through the Public Service Commissions in the context of the personnel needs of the development programmes. Recruitment should be speeded up through (i) suitably strengthening the Public Service Commissions, (ii) bifurcating their work relating to senior and junior posts, and (iii) devising simpler and quicker methods of consultation. *There should be one or two bulk selections every year for technical men of a particular category.* Recruitment to services at the college campus should be tried because of (i) the advantage of speeding up recruitment and (ii) the beneficial effect which a Service Commission going round the universities will have on students.
- (c) Priority should be given to the creation and maintenance of a Register of Technical Manpower. Indian nationals receiving technical training abroad should be kept informed of employment opportunities advertised in India. A Technical Manpower Committee of the Cabinet should be set up, with a corresponding Committee of Secretaries, to evolve policies regarding technical personnel. A Technical Manpower Division should be created in the Planning Commission to serve the Cabinet Committee. Similar Committees will have to be set up at the State level.

Book Reviews

IMPLICATIONS OF THE IDEOLOGY-CONCEPT; KRISHNA PRASANNA MUKERJI. *Bombay, Popular Book Depot, 1955. 222 p. Rs. 11-4.*

This book by the Professor of Politics in the University of Bombay, initiates the University's Publication Series in Politics. The book is fully deserving of the honour of leading off what we all desire should be an important academic series. It is, however, not so easy to review it. The author explains the nature of the work as follows :—

“An attempt has been made in this work to explain and comment upon the implications of the conception of ideology as suggested first by Marx and developed later through the enunciation of the theory of Sociology of Knowledge and modified by the science of psycho-analysis and micro-sociology. It occurred to me that in the light of researches done by Maunheim (in *Wissensoziologie*) Freud-Jung (in psycho-analysis) and Moreno (in sociometry) it has become necessary for scientists in general and social scientists in particular to search anew the bases of the scientific attitude and to redefine “science” and that this called for a systematic study of human consciousness and more specially of the functional inter-relationship between man's intellectual activities on the one side and his (socio-biological) *milieu* on the other. Such a study is both of theoretical and practical significance, as the systematic study of interactions of mind and environment is bound to modify hitherto held views on epistemology, the scientific attitude, science and rational philosophy, moral and spiritual judgments and ideals, and scientific methodology, specially the methodology of social and cultural sciences like politics.”

Any academic attempt so all-embracing as this should evoke considerable interest among social scientists. It would, however, be unfair to take out a few observations here and there for purposes of a review. It can only be stated that the book is a highly stimulating effort at analysis, reconstruction and enunciation of a variety of theoretical and practical speculations. All scientists, and especially social scientists will read it with interest and profit.

The main point of the discussion, however, does have a vital bearing on the normal functioning of a democratic society. The Idealist School, represented by Plato or Hegel, tended to clothe “ideas” with a higher reality inasmuch as they represented the common truth of variable experience. On the other hand the Materialist School represented by Marx, and to a lesser extent by Laski—who by the way finds no place in the author's discussion—tended to deny to any but

physical experience the status of reality. Ideas, for the latter school, were essentially subjective, they were necessarily biased. The author of this book asks himself the question.....“is it still possible to extricate the ‘inner man’ in such a way that he rises above the subjective-situational promptings to a plane of objective or impartial reasoning wherefrom it is possible for him to enunciate bias-free ideas, normative socio-political theories and valuable ethical judgments ?”

The question is affirmatively answered by reference to the Yoga philosophy, which is held to make it possible to have a disinterested and unattached wisdom. It must be admitted, as indeed Plato and Hegel did, that a discipline of virtue, knowledge and disinterestedness maximises the possibility of producing unbiased thought. But, quite apart from the multiplicity of meanings attaching to Yoga, it is clear that mind reaching the Yogic level would be exceptional—not certainly normal—and the real understanding and experience of human beings on which alone a significant analysis and prescription can be sustained would continue to be biased both in regard to motive and appreciation. Even for the Yogi, unless we are asking for the manifestation of a perfect being, while freedom from motive and attachment may perhaps be attained, the limitation arising out of subjective understanding and appraisal cannot be ignored.

One wonders whether it is ‘scientific’ at all to expect synthesis where one is in the nature of things not possible. The idealist and material, the subjective and the empirical, are in a sense both real. In due proportion they have to be utilized both for analysis and practical policy, which are so important for social organization. Any mystic solution to a problem—which is really not a problem inasmuch as both have a relevance to truth—of finding one single version of reality through an emancipated and perfect mind would probably lead to superstition in thought and to authoritarianism in action.

This, however, is likely to remain an unending debate among theorists. It is only proper that the Head of the Politics Department should restate his position, and his fellow-researchers and scientists would be serving themselves and serving science by giving the book a very cordial and attentive reception.

—D. G. Karve

THE DYNAMICS OF BUREAUCRACY; PETER M. BLAU.
Chicago, The University of Chicago, 1955. 269 p. \$5.

This is a case study of two bureaucratic agencies at the State and Federal levels respectively. It is designed primarily to secure an insight into the operation and development of interpersonal relations within a governmental agency and the impact of such relations on the efficiency and morale of the unit as a whole. The State agency is an office concerned with the employment of jobless clients by putting applicant and employer in mutual contact. Interviewing candidates, noting down the requirements of employers, selecting the right

applicants for the right jobs, providing vocational guidance in some cases—are among the important functions of this agency. The Federal agency on the other hand is entrusted with the enforcement of certain federal laws regarding the conditions of employment and operates within a State. The inspection of premises, scrutiny of records, detection of violation of the laws, interpretation of the law, persuasion and finally resort to the law courts for securing compliance are the principal activities of this agency. In each case there is a single head of the office and about a score of officials who bear the brunt of the work to be done.

The study reveals an interesting set-up of relationships within each agency and emphasises how a governmental office is far from being the hide-bound, static and unimaginative affair of popular conception. Apart from the written code of procedure and conduct which provides the essential framework for the operation of any bureaucratic agency, each unit tends to grow a kind of social cohesion within its ranks and this serves both as a protective shelter against aggression from without or above as also an informal, compulsive pressure to fall in line with the group values and mores. But just as there are cohesive factors at work there are also disruptive influences to be reckoned with. A spirit of competition for bettering performance records might disrupt the cohesion just as an atmosphere of mutual consultation might promote it. The introduction of quantitative returns of disposals in the State employment agency was found to foster the competitive spirit which was resented by the competitors themselves because of its adverse effects on interpersonal relations within the unit. On the other hand the development of informal consultations among the agents of the federal enforcement agency in opposition to the strictly formal procedure had exactly the contrary effect.

A very revealing case of the growth of unofficial norms within an office was the establishment of a taboo on reporting of offers of bribes made to the federal agents engaged in enforcement work by the party violating the law. The observer found an inquiry that this taboo had become almost a matter of honour with the functionaries concerned. He was given to understand that the reporting of such an offer became possible only by goading on the other party into the belief that the agent was willing to accept a bribe, and then catching him unawares through the F.B.I. This was not proper, and the best way to deal with a potential offer was to scotch it at the first vague 'feeler' when, for instance, the party suggested that the question be discussed by going outside the office. It was also believed that trapping a party offering a bribe was antagonising not only the persons concerned but a number of their friends in the business who would tend to become hostile to the agency. Such a result would act adversely on the possibility of compliance by persuasion which was a desirable objective. Resentment against any body reporting an offer of a bribe was found to be extremely strong resulting in social ostracism and isolation of the person so reporting ! The basis of this resentment was again to be found in an implicit sense of competition for being favoured or rated more efficient by the boss.

Equally interesting is the revelation that sometimes institutional devices help to wear out or at best to minimise the effect of social prejudice. It was found that the introduction of performance records led to a slackening of discrimination against Negroes among the applicants. Since every one desired to show "achievement" in terms of disposal of cases, the old prejudice could not be maintained without detriment to one's record !

It is the thesis of the author that a study like this which analyses the social, economic and psychological factors influencing the operation of a modern bureaucratic unit would destroy many old theories about the working of the system called Bureaucracy. The economic security provided to civil servants would tend to make them more ready and willing to effect desirable changes in established procedure as also to assume greater responsibilities in socially desirable fields. How far such a generalisation is justified on the basis of the study of a very tiny and stray speck of dust on the bureaucratic sea-shore is too difficult to say. But if this view gains ground on the basis of similar studies in different branches of administration it would open a new era of hope for organised mankind.

—S.V. Kogekar

THE COLONIAL OFFICE ; SIR CHARLES JEFFRIES. *London, George Allen & Unwin, 1956. 222p. 15s.*

The book—the third publication in the New Whitehall Series—is an authoritative and informative account of the evolution, organisation, functions, work and achievements of the Colonial Office. The author has written several other books on the Colonial Empire and the Colonial Service and has served in the Colonial Office since 1917. The book has thus the benefit both of his long, first-hand experience in colonial administration and wide background knowledge of colonial history.

The Colonial Office is among the oldest British Ministries and is responsible for administering the affairs of nearly 200 million sq. miles of colonies, protectorates, protected states and trust territories. It is nothing more and nothing less than the Secretariat of the Secretary of State for the Colonies. Its functions and responsibilities have gradually altered with the political, economic and social changes of the last century.

Sir Charles classifies the work of the Colonial Office into two categories : (a) political development, and (b) economic and social development. (These two kinds of problems are reflected in a way in the division of the Colonial Office into two compartments—'geographical departments' and 'subject departments'.) He takes special pains to elaborate how the British Colonial policy has, from the beginning of the Colonial adventure, been directed towards the attainment of "responsible self-government within the Commonwealth in conditions that ensure to the people concerned both a fair standard of living and freedom from oppression from any quarter". As a result, the representative institutions in the colonies have followed more or less the same pattern. While some of the colonies have since attained

political autonomy, others are still on the way to the realization of representative or responsible government. As regards economic and social development, the main role of the Colonial Office has been to provide material and technical assistance and experienced personnel. In recent years, the increasing responsibilities taken over by the Colonial administration in economic and social matters have been gradually transforming its basic character so as to convert it into a comprehensive and far-reaching organisation for giving practical assistance to overseas territories.

While in 1925 the functions of the Office could be broadly described as "a supervision of administration", they have since undergone a vital change. "A general responsibility for the supervision of administration indeed remains, but essentially the main work of the Office now could best be described as the conduct of relationships. The territories are no longer considered as places which are being administered by agents on behalf of Her Majesty's Government but as political entities standing in a special relation to the United Kingdom."....."the conduct of business between any territory and the United Kingdom is now approached in a spirit of bilateral negotiation and not of unilateral direction". The position also materially differs in many other respects. There is greater attention paid to representative public opinion. The Office has now many direct administrative functions such as management of large development funds, the organisation of training courses, the promotion of research projects, the operation of information services and the responsibilities connected with the education of overseas students.

The most interesting part of the book is contained in Chapters VIII to XI dealing with the organisational evolution of the Colonial Office, its present administrative set-up, office services, relations between the minister and civil servants and Her Majesty's Oversea Civil Service. The author, being fully versed in the details and intricacies of the working of the Department gives an illuminating description of the duties and functions of the various officers, the policy and procedure of staffing and communications, composition of Her Majesty's Oversea Civil Service and the relationship which subsists between the Service and the Colonial Office.

There can be no question that the Colonial Office took steps to ensure good Government and sound administration. Under the British flag the colonial peoples "increased and multiplied". Though political and social conditions varied from territory to territory, the Colonial Office was able to build up traditions of efficiency, *esprit de corps* and a pride in belonging to the Office which the author terms as "a sense of vocation". But the concept of colonialism changed radically with the first World War when millions on the side of the Allies laid down their lives for the vindication of the principle of self-determination of nationalities. As is pointed out by Sir Thomas Lloyd, the Permanent Under Secretary of State for the Colonies, in his foreword to the book, The Colonial Office, which was "once likened to a grandmother burdened with the care and rearing of a brood of young children", assumed the role of "counsellor and friend" while retaining that of a guardian. This change of concept was accelerated by the mandate system of the League of Nations and the Trusteeship system of the United Nations.

Colonial administration can no longer be judged by the sole criterion of good Government. World public opinion also wishes

to know what progress is being made from authoritarian Government to representative Government and from representative Government to responsible Government. This is the ultimate goal emphasised in the Charter of United Nations. It is here that the weakness of the book mainly lies. Though Sir Charles begins his preface with an apology for "those in whom the word 'Colonial' awakens angry passions", he takes for granted the basic assumption that the British Colonial policy is solely motivated by considerations of promoting the political and economic well-being of the colonies. And so is his conclusion that "It would be difficult for any impartial observer with a knowledge of the facts to suggest today that the British either exploit the Colonial territories for their own benefit or use their controlling powers to damp down development which the territorial peoples could and would carry on faster if they were free to do so". While one can hardly deny the political, economic and social benefits accruing to the Colonies from the British administration, it is obviously too presumptuous to assume that the British Colonial policy is dictated exclusively by these factors or that the colonial people are best and happiest under British tutelage.

Whatever may be the differences of view in regard to the political philosophy of colonialism, the Colonial Office in the U.K. has indisputably performed a first-class *administrative* job. How it did so and what were its methods and procedures are matters of interest to all and even to those "who conceive of 'Colonial Office rule' as something negative, damping and frustrating".

—S. Lall

THE OFFICE OF PRIME MINISTER ; BYRUM S. CARTER.
London, Faber and Faber, 1955. 362p. 30s.

The subject-matter of this valuable study is the office of the Prime Minister of Great Britain, although that fact is not *prima facie* evident from the title of the book. Its author, Prof. Carter, is an American, and holds the chair of Political Science in Indiana University. In spite of his American antecedents, he found it worthwhile to undertake this British survey. Says he, "There have been many studies of the Cabinet, the Parliament, and the Constitution, which have included consideration of the place of the Prime Minister within a broad context but no study has concentrated specifically upon the office of the Prime Minister in all its ramifications, institutional and extra-institutional." His hope is that his work "may serve as a temporarily adequate first step to paint a total picture of the modern office of the Prime Minister." In this "first step" he seems to have largely succeeded.

In a series of nine chapters Prof. Carter has dealt with the historical development of the office of the Prime Minister, his selection, his relationship with the public, the Party, the Cabinet, the Parliament, his forming a new government and his conduct of foreign affairs, and war. In the last chapter he presents some concluding observations. These are followed by two appendices, the first of which enumerates the "ministerial positions" held by persons who subsequently became Prime Ministers, while the second is a note on Sir Anthony Eden who

since April 1955 has been the Prime Minister of Great Britain. This latter appendix was obviously added after the book had been completed, for in Chapter II, where the author presents a Table (p. 61) on the "Age of Prime Ministers", the name of Eden does not appear.

It would seem that Chapter IV on the Prime Minister and the Party should change places with Chapter II on the Selection of the Prime Minister. After all it is the Party which first recognises and subsequently presents the prospective Prime Minister to the electorate for his election to Parliament, whence upon his Party strength and leadership, the King or Queen invites him to form the government.

The author interestingly traces the origin of the term "prime minister" to Jonathan Swift, who described his contemporary Harley by that appellation upon the latter's succession to Godolphin as the "first minister" of Queen Anne. But the author admits that no "first minister" could be called a Prime Minister in the modern sense until the Hanoverian period of British history begins because not one of them owed any "obligation to Parliament" nor exercised "complete control in the Cabinet". No doubt the first instance wherein Harley succeeded "in appointing Sunderland to the ministry in 1706 over the objections of Queen Anne" might well be characterised as "a step toward the development of the principle that the Chief Minister has the right to select his own ministerial colleagues", a principle which is even today very zealously upheld.

The present office of the Prime Minister is "the product of over two centuries of growth". It has undergone "fundamental changes" during this period, changes brought about by factors like the development of the institution of the Cabinet whereby the gradual "control of political power from King to Parliament" and "from Parliament to Cabinet" was effected; the influence of a series of "external forces" like the "growth of political institutions, *per se*", the advancement of modern science, the shift in Britain's economy "occasioned by technological innovations", and the consequent adjustments in the social "class structure, class relationships and class expectations, the growth of egalitarian concepts of government and economic organization, changes in Britain's world position, and finally war, which has frequently accelerated an already existing tendency or given a new impetus in a new direction."

The conclusions which Prof. Carter deduces should be extremely valuable to students of the British Constitution, Constitutional Law, Politics, Public Administration and History. Some of these are worth noting here: "The Prime Minister.....throughout his term of office.....must take care not to act in such a manner as to antagonize significant portions of the public" because the public "eventually has the determining voice" in deciding whether or not he should continue in office. "The private life of the Prime Minister, and other political leaders, must be beyond reproach.....essentially the moral code by which the British public judges its leader is still puritanical in character. No Prime Minister can afford to have it known that he has a mistress, or that he gambles for large stakes; nor may he afford the luxury of a divorce".

"Sir Charles Dilke was ruined politically as he was named as a correspondent in a divorce case. Parnell was destroyed because he lived with a woman without benefit of wedlock. Even Edward VII lost a throne because he insisted upon marrying a woman who had been twice divorced."

"Any man who wishes to become Prime Minister must have friends in the press." Harcourt's failure to become Prime Minister in 1894 was due to the fact that "he had no skill in making terms with the press". Winston Churchill "devoured all of the London press before going to bed". Lloyd George's mind "leapt with that of Fleet Street." "The radio does serve the Prime Minister and his colleagues as one of the effective media of reaching the public." "The whole strength of the Prime Minister.....rests upon the fact that he is a party chief, the recognized leader of a party which has obtained a majority." "There are reciprocal obligations upon both the leader and his followers. The rank and file are expected to follow and support, but only if the leader serves the interest of the party."

"The Prime Minister's relations with the Cabinet proper constitute one of the most important aspects of his position, perhaps the most important single aspect." Although the Prime Minister is *primus inter pares*, he occupies a position therein of "exceptional and peculiar authority". "The office of Prime Minister is what its holder chooses and is able to make of it." "Indeed a Prime Minister in peacetime should not have a policy. If he has able ministers he ought to rely on them, and policies should come from departmental ministers." They must positively consult him on their important departmental problems. Coordination and supervision of Departments are ultimately his responsibility. He heads the Civil Service. While Salisbury left his colleagues "very much to themselves", Churchill "had his hand in almost every department", particularly in Foreign Affairs and Defence. Recommendations for all high offices made by the Permanent Secretary of the Treasury must receive the approval of the Prime Minister, as he is also the First Lord of the Treasury. Besides all this, he has "an obligation" to keep the sovereign informed of all important Cabinet decisions. He may even "dismiss" his Cabinet colleagues, although "technically" this task has to be carried out by the King upon his advice. In short, he is the keystone not only of the Cabinet arch, but of the whole edifice of public administration.

But the Prime Minister's real ability evinces itself in his handling of the Imperial Legislature. "The Parliament is more frequently the tool, rather than the master of the Cabinet..... The Prime Minister cannot afford to disregard or antagonize the Parliament.....in particular.....the members of the House of Commons". "However certain he may be of the support of the House, the Prime Minister will act as if the Commons might decide to bring his government down at any time." Lloyd George once remarked that the House of Commons "is a wild and savage animal! This minute it will stroke and fondle you. The next it may rend you in pieces. You must always be watching it." In foreign affairs, "the chief responsibility of supervising the work of the Foreign Secretary must

inevitably fall upon the Prime Minister". But there is no uniform rule in this matter, for some Prime Ministers feel "little inclination to take an active role in the conduct of foreign affairs". However, this "has not been the characteristic attitude of the Prime Ministers of the last half-century".

In time of war the Prime Minister "must be willing to act quickly". "War requires that the Prime Minister exercises all his power. It is not possible to rely upon brilliant colleagues, for decisions will not wait for discussion". In peacetime this is possible and considerably necessary; war requires a concentration of power and responsibility. Both Lloyd George and Winston Churchill made good wartime Premiers because "they concentrated power and took responsibility". Asquith on the other hand lacked this ability, although he was, in the words of Churchill, "one of the greatest peacetime Prime Ministers Great Britain ever had."

In brief, the Prime Minister is "the real source of office and honour". This is so because he heads a "tightly knit and well-disciplined" party organization, more so today than in the past. His position as "party leader is of major importance in the electoral process". Moreover the power of seeking a "dissolution of Parliament has passed from the hands of the Cabinet as a whole to the Prime Minister." This makes the rank and file members of his party support him in the Parliament as they do not want a re-election campaign if they can avoid it. Lastly, the character of the Modern State, comprising a "multiplicity of functions", vests the Prime Minister with the "somewhat greater responsibilities in the supervision and coordination of policy and action".

On the whole Prof. Carter has made a very useful contribution. His language is lucid, his arguments usually clear and convincing, and the format of his volume pleasing. This book ought to earn the gratitude of all those who when learning British Parliamentary practices, may seek general enlightenment and a reasonable measure of clarity on the office of the British Prime Minister. As the author aptly concludes, "The change from the status of a Cabinet Minister to the position of Prime Minister is not merely a change of place but a change of dimensions."

—C. J. Chacko

NOTICES

THE INDIAN PARLIAMENT; ed. A.B. LAL. Allahabad, Chaitanya Publishing House, 1956. 296p. Rs. 15.

A collection of fifteen informative articles written by academicians, Members of Parliament and administrators, on different aspects of Indian Parliament, its organisation and functions, privileges and immunities, conduct of business, delegated legislation, and relations with other organs of the State.

PUBLIC ENTERPRISE—A Study of its Organisation and Management in Various Countries; *ed. A. H. HANSON. Brussels, 1955, International Institute of Administrative Sciences. 530p.*

A collection of selected working papers for the 'Seminar on the Organisation and Administration of Public Enterprise in the Industrial Field' (Rangoon, March 1954), convened jointly by the E.C.A.F.E., the U.N.T.A.A., and the I.I.A.S. The papers (with one exception) have been revised, edited, and further supplemented by six regional surveys by Mr. A. H. Hanson, Lecturer in Public Administration, University of Leeds, formerly Director of Research, Public Administration Institute for Turkey and the Middle East, Ankara.

The regional surveys are highly valuable and illuminating as a comparative study of the nature, extent, form and content of Public enterprise today. They cover most of the important countries of the world but exclude communist states with one exception. Some of Mr. Hanson's conclusions are quite revealing. Political philosophy or party politics do not seem to have exercised any decisive influence in determining the extent of public enterprise; there is no definite co-relation between function and form, far more important is the spirit in which public enterprise is managed; workers' and consumers' participation in management through representation on the executive boards (e.g. in France) hardly promotes efficiency, in fact, it leads to operational difficulties and increased ministerial interference; the solution of the problems of public control and accountability does not necessarily lie in adopting uniform methods and procedures of such control; and in underdeveloped countries the problem of making public enterprise self-supporting is intimately linked up with their efficient and economical management.

Among the individual contributions worthy of special notice are: (1) "A Theory of Public Industrial Enterprise", by Mr. W. Friedmann, (2) "The Government Corporation : Its Place in the Federal Structure", by Mr. Harold Seidman, and (3) "TVA's Working Philosophy of Industrial Relations", by Mr. Gordon R. Clapp. Among the accounts of other national experiences, those of Australia, Canada, France, Mexico, South Africa, Turkey and Yugoslavia may be of special interest to Indian readers.

PRICE CONTROLS IN INDIA SINCE 1947; *RAM GOPAL AGRAWAL. New Delhi, The Author, 1956. xi, 200p. Rs. 7-8.*

A useful study of the theory, objects, the mechanism, and the incidence of price controls in India by Dr. R.G. Agrawal, M.A., D. Phil., Assistant Secretary in the Federation of Indian Chambers of Commerce & Industry, New Delhi, who has specialised in foreign trade and tariff policy. A thought-provoking critique on the inability of the administration to modify its policy appropriately to the changing circumstances, is contained in Chapter VII on "Price Controls and their Administration".